

*HUNDRED AND FOURTEENTH
ANNUAL REPORT
2024*

114



ESTD - 1910

THE LAKSHMI MILLS COMPANY LTD
COIMBATORE

THE LAKSHMI MILLS COMPANY LIMITED

Annual Report 2023 - 24

BOARD OF DIRECTORS

Sri R. SANTHARAM - Vice Chairman
Sri D. RAJENDRAN
Sri SATISH AJMERA
Sri SANJAY JAYAVARTHANAVELU
Smt SUGUNA RAVICHANDRAN
Sri ADITYA KRISHNA PATHY - Deputy Managing Director
Sri VIJAY VENKATASWAMY

CHAIRMAN AND MANAGING DIRECTOR

Sri S. PATHY

COMPANY SECRETARY

Sri N. SINGARAVEL

CHIEF FINANCIAL OFFICER

Sri A. DORAISWAMY

AUDITORS

M/s. SUBBACHAR & SRINIVASAN
Chartered Accountants

SECRETARIAL AUDITORS

M/s. MDS & ASSOCIATES LLP
Company Secretaries

REGISTRAR AND SHARE TRANSFER AGENT

M/s. LINK INTIME INDIA PRIVATE LIMITED

BANKERS

Central Bank of India
Canara Bank

REGISTERED OFFICE

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

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THE LAKSHMI MILLS COMPANY LIMITED

686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037

Phone : 91- 0422 - 2245461 - 465, 4333700

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

CIN: L17111TZ1910PLC000093

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **HUNDRED AND FOURTEENTH ANNUAL GENERAL MEETING (AGM)** of the Members of the Company will be held on Monday, 9th September, 2024 at 10:30 A.M IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the in-person presence of shareholders to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and Changes in Equity for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in the place of Sri Sanjay Jayavarthanavelu (DIN 00004505), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (the 'Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI ("Listing Obligations and Disclosure Requirements") Regulations, 2015 ("Listing Regulations") (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Shareholders of the Company, be and is hereby accorded for the payment of remuneration to Sri S. Pathy (DIN: 00013899) Managing Director of the Company for

a period of 2 years from 24th April 2024 till the remaining period of his present term (i.e., upto 23rd April 2026) on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors at their meeting held on 8th February 2024, notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to Sri Aditya Krishna Pathy, Deputy Managing Director of the Company may exceed 5% of net profits of the Company (pursuant to Regulation 17(6)(e) of Listing Regulations) or any other limits as specified by the Listing Regulations or the Act for the time being in force.

MEMORANDUM OF TERMS AND CONDITIONS

1 Salary:

Rs. 9,00,000/- per month with an annual increment of Rs. 1,00,000/-.

2 Commission:

1% on the net profit of the Company, as maybe 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 Encashment:

Shall be entitled to 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 the Company. However, the aggregate of such perquisites shall not exceed Rs. 5,00,000/- per annum. The perquisites shall be evaluated as per Income Tax Rules wherever applicable.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the above remuneration shall be payable as Minimum Remuneration to

Sri S. Pathy, Managing Director of the Company as specified in Schedule V of the Companies Act, 2013 (as amended).

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the terms of remuneration payable to Sri S. Pathy (DIN: 00013899) Managing Director, as it may deem fit, proper and necessary, subject to the same not exceeding the limits under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper and expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (as amended) and the Articles of Association of the Company and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Sri K. Murali Mohan (DIN:00626361), who had submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member signifying its intention to propose Sri K. Murali Mohan as a candidate for the office of Director of the Company, be and is hereby appointed as Non-Executive and Independent Director of the Company to hold office for an initial term of five (5) consecutive years from the conclusion of the 114th Annual General Meeting upto the date of completion of 5 years or the date of 119th Annual General Meeting whichever is earlier, and is not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient, to give effect to the above Resolution without being required to seek any further consent or approval of the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (as

THE LAKSHMI MILLS COMPANY LIMITED

amended) and the Articles of Association of the Company and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Sri R. Varadarajan (DIN:00001738), who had submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member signifying its intention to propose Sri R. Varadarajan as a candidate for the office of Director of the Company, be and is hereby appointed as Non-Executive and Independent Director of the Company to hold office for an initial term of five (5) consecutive years from the conclusion of the 114th Annual General Meeting upto the date of completion of 5 years or the date of 119th Annual General Meeting whichever is earlier, and is not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient, to give effect to the above Resolution without being required to seek any further consent or approval of the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (as amended) and the Articles of Association of the Company and upon the recommendation of the

Nomination and Remuneration Committee and the Board of Directors, Sri Ashwin Chandran (DIN:00001884), who had submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member signifying its intention to propose Sri Ashwin Chandran as a candidate for the office of Director of the Company, be and is hereby appointed as Non-Executive and Independent Director of the Company to hold office for an initial term of five (5) consecutive years from the conclusion of the 114th Annual General Meeting upto the date of completion of 5 years or the date of 119th Annual General Meeting whichever is earlier, and is not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient, to give effect to the above Resolution without being required to seek any further consent or approval of the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. A. R. Ramasubramania Raja & Co., (Firm Registration No. 000514), Cost Accountants, Coimbatore, who were appointed as Cost Auditors by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost accounting records of the Company for the financial year 2024-25 on a remuneration of Rs.1,50,000/- exclusive

of applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

Coimbatore
09.08.2024

By Order of the Board
N. SINGARAVEL
Company Secretary

NOTES:

1. The General Circulars issued by the Ministry of Corporate Affairs (“MCA”) during the year 2020, 2021, 2022 and 2023 and latest being Circular No. 09/2023 dated 25th September, 2023 and the same has been acknowledged by the Securities and Exchange Board of India (“SEBI”) vide its circulars issued during the year 2020, 2021, 2022 and 2023 and latest being 07th October, 2023, have permitted to conduct of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) MCA Circulars and SEBI Circulars, the 114th AGM of the Company is being held through VC/OAVM. Members desirous of participating in the meeting through VC/OAVM, may refer to the procedures mentioned below.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. **Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
3. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
4. Institutional/Corporate Members (i.e., other than Individuals/HUF/NRI) etc are required to send the scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing their representatives to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to bk.scrutiniser@gmail.com with a copy marked to evoting@nsdl.com.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday - 03.09.2024 to Monday - 09.09.2024 (both days inclusive), in compliance with Regulation 42 of the SEBI (LODR) Regulations 2015 and Section 91 of the Companies Act, 2013.
7. The Board of Directors has not recommended any dividend for the year ended 31st March, 2024.
8. **Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:**

Pursuant to the provisions of Section 124(6) of the Act and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (“the IEPF Rules”) and amendments thereto, the Company has transferred the shares in respect of Members who have not claimed/encashed dividend for the last seven consecutive years to the Demat Account of the IEPF Authority. Details of the Members whose shares have been transferred to the Demat account of the IEPF Authority are available at the Company’s website at www.lakshimimills.com. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company/Registrar & Share Transfer Agent of the Company. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (“IEPF”) established by the Central

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Government under Section 125 of the Companies Act, 2013. The details of unpaid / unclaimed dividend can be viewed on the Company's website www.lakshmimills.com. As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the Company will be transferring the share(s) on which the beneficial owner has not encashed any dividend during the last seven years to the IEPF demat account as identified by the IEPF Authority. Details of shareholders whose shares are liable to be transferred to IEPF are available at the Company website: www.lakshmimills.com. The shareholders whose unclaimed dividend / share has been transferred to the 'Investor Education and Protection Fund' may claim the same from IEPF authority by filing Form IEPF-5 along with requisite documents. Sri N. Singaravel, Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.

9. Members are requested to make all correspondence in connection with shares held by them by addressing directly to the Company Secretary of the Company or its RTA - M/s. Link Intime India Private Limited (Erstwhile M/s. S.K.D.C. Consultants Limited), "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028, by quoting their Folio Number or the Client ID No. with DP ID No.
10. It is reiterated that the request for Dematerialisation and Rematerialisation are to be made only to the Depository Participant (DP) with whom you have opened an account and not to the Company or its Transfer Agent.
11. The International Securities Identification Number given to your company is INE938C01019.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent, for consolidation into a single folio.
13. A. Securities and Exchange Board of India ("SEBI") had earlier mandated that the transfer of securities held in physical form, except in case of transmission

or transposition, shall not be processed by the listed entities / Registrar and Share Transfer Agents with effect from 1st April 2019.

B. Further, SEBI had mandated the listed entities to issue shares only in dematerialized mode, with effect from 25th January 2022 to Shareholder(s)/ claimant(s) holding shares in physical mode, as against their service requests including for transmission or transposition of shares by providing letter of confirmation.

As per the said circular, the Company has opened a separate Escrow Demat Account for the purpose of crediting the shares of the Shareholders who fail to submit the letter of confirmation with the respective Depository Participant within the prescribed timeline.

C. Further, as per SEBI's Master circular dated 17th May 2023 and amendment circular dated 17th November 2023 and 7th May 2024 Members holding shares in physical form, whose folio(s) lack PAN, nomination details, contact details, Bank Account details or updated specimen signature, will only be eligible for payment of dividend, through electronic mode effective from 1st April 2024. Therefore, Members holding shares in physical form are requested to update the mentioned details by providing the appropriate requests through ISR forms with the Registrar and Share Transfer Agent to ensure receipt of dividend.

Necessary prior intimation(s) in this regard was provided to the Shareholders. Therefore, Members holding share(s) in physical form are requested to immediately update their KYC details / dematerialize their shareholding in the Company. A copy of the said circular(s) is available on the Company's website www.lakshmimills.com.

D. The shareholders are requested to co-ordinate with the Company's RTA. The shareholders may also note that as per advisory of SEBI, the Company's RTA has launched an investors' self-service portal 'SWAYAM' to access investor requests / services <https://swayam.linkintime.co.in>

14. Shareholders holding shares in Demat form and who have not yet registered their e-mail address

are requested to register their email address with their respective Depository Participant (DP) immediately. Shareholders holding shares in physical form are requested to dematerialize their shares and register their email address with our Registrars & Share Transfer Agents, M/s. Link Intime India Private Limited, "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028; email id: coimbatore@linkintime.co.in.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the company or to the Registrar and Share Transfer Agents - M/s. Link Intime India Private Limited.
16. Members may kindly note that in accordance with SEBI circular dated 31st July 2023, the Company has registered on the SMART ODR (Securities Market Approach for Resolution through Online Disputes Resolution) Portal. This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution institutions for addressing complaints. Members can access the SMART ODR Portal via: <https://smartodr.in/login>. Members may utilise this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).
17. Members who have not registered their Bank particulars with the Depository Participant(s) ("DP") / Company are advised to utilise the electronic solutions provided by National Automated Clearing House ("NACH") for receiving dividends. Members holding shares in electronic form are requested to contact their respective Depository Participant(s) for availing this facility. Members holding shares in physical form are requested to download the NACH form from the website of the Company viz., www.lakshmimills.com and the same, duly filled up and

signed along with original cancelled cheque leaf may be sent to the Company or to the Registrar and Share Transfer Agent ("RTA").

18. a. Members are requested to notify immediately any change in their address:
 - i. to their Depository Participant(s) ("DPs") in respect of the shares held in electronic form, and
 - ii. to the Company or its RTA, in respect of the shares held in physical form together with a proof of address viz, Aadhar Card /Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/ Passport etc.
- b. In case the registered mailing address is without the Postal Identification Number Code ("PIN CODE"), Members are requested to kindly inform their PIN CODE immediately to the Company/ RTA/ DPs.
19. As per the provisions of Section 72 of the Act, facility for making nominations is now available to individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the RTA of the Company or can download the form from the Company's website namely www.lakshmimills.com. Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.
20. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by ICSI in respect of the Director seeking re-appointment / appointment / payment of remuneration at the Annual General Meeting is furnished and forms a part of the Notice.
21. Soft copies of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members who request for the same, during the AGM.

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22. A Member who needs any information/ clarification on accounts or operations of the Company shall send his/her queries addressed to the Company Secretary at csns@lakshimimills.com, so as to reach him on or before 5.00 P.M on Monday, 2nd September, 2024. Such queries will be replied by the Company suitably, during the AGM or later.
23. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the physical copy of the Annual Report will not be sent. However, the same be sent to the Members on their request to the Company / RTA. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.lakshimimills.com and website of the Stock Exchange i.e., BSE Limited at www.bseindia.com and on the website of the NSDL at www.evoting.nsdl.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
24. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Service Limited (CDSL). The Depository System envisages the elimination of several problems involved in the script based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holdings to electronic mode.
25. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
26. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of Dividend. The Company or its Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of Dividend are requested to write to the Company or its Registrar and Share Transfer Agents.
27. Non-Resident Indian ("NRI") Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
- a. the change in their residential status on return to India for permanent settlement or
 - b. the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
28. Members holding shares in electronic form may please note that as per the regulations of Securities and Exchange Board of India (SEBI), National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the bank details on the Cheques/Pay Orders as furnished by these depositories to the Company and the Company cannot entertain any request for deletion/change of Bank details already printed on Cheques/Pay Orders as per the information received from the concerned depositories. In this regard, Members should contact their Depository Participants (DP) and furnish particulars of any changes desired by them.
29. Members may note that M/s. Subbachar & Srinivasan, Chartered Accountants, Coimbatore (Firm Registration No. 004083S) were appointed as Statutory Auditors of the Company at the

112th Annual General Meeting (AGM) held on 9th September, 2022, to hold their office for a period of 5 consecutive years till the conclusion of the 117th AGM to be held during the year 2027. Hence, no resolution is being proposed for appointment of Statutory Auditors at this 114th Annual General Meeting.

30. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar and Share Transfer Agents (RTA)/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholders has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend (Bank Account Number, Name of the Bank, Branch, IFSC, MICR code and place with PIN Code), the following instructions are to be followed:

- (i) In case of shares held in physical form, kindly provide the required details to M/s. Link Intime India Private Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028 or to the Company at 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641037.
- (ii) In the case of Shares held in Demat mode, the shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

Regular updation of bank particulars is intended to prevent fraudulent encashment of dividend warrants.

Voting through Electronic Means

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended) (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in

force), Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings (SS - 2), the Company is providing its Members with the facility to cast their vote electronically from a place other than venue of the Annual General Meeting ("remote e-voting") using an electronic voting system provided by National Securities Depository Limited ('NSDL'), for all members of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of Annual General Meeting and the business may be transacted through such remote e-voting. The instructions to e-voting, as given below, explain the process and manner for casting of vote(s) in a secure manner.

Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Annual General Meeting Notice and holding shares as on Saturday, 17th August, 2024 may refer to this Notice of the Annual General Meeting, posted on Company's website www.lakshnimills.com for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- ii. The remote e-voting period begins on Friday - the 6th September 2024 at 9:00 AM (IST) and ends on Sunday - the 8th September 2024 at 5:00 PM (IST). The e-voting module shall be disabled by NSDL for voting thereafter. During the remote e-voting period, Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 2nd September 2024, may cast their vote electronically. The voting right of Shareholders

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shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, 2nd September 2024.

The instructions for members for voting electronically are as under:-

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email ID in their demat accounts to access e-Voting facility.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system:

A) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode:

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">Existing IDeAS user can visit the e-Services website of NSDL viz., https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or visit the URL https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.

Type of Shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speed-e” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store  </div> <div style="text-align: center;">  Google Play  </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participant(s)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at no.: 022-48867000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a)For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b)For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number 129757 followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 129757 then user ID is 129757001***

5. Password details for Shareholders other than Individual Shareholders are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial

password' and the system will force you to change your password.

c. How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address.

d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and for casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution(s), you will not be allowed to modify your vote.

General Guidelines for shareholders:

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bk.scrutiniser@gmail.com with a copy marked to evoting@nsdl.com. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or

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“Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call 022-48867000 or send a request to evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the Depositories/Company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to coimbatore@linkintime.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to coimbatore@linkintime.co.in. If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.
3. Alternatively Shareholders/Members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

Instructions for Members for e-voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote in the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join Meeting” menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member’s login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number to csns@lakshmill.com on or before 05.00 PM IST on Monday, 2nd September, 2024. The same will be replied by the Company suitably during the AGM or later.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions only during the meeting ("AGM").
 7. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 8. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Meeting.
- The Company has appointed Sri B. Krishnamoorthi, Practicing Chartered Accountant (Membership No. 20439), as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those Members who are present at the Annual General Meeting by electronic means but have not cast their votes by availing the remote e-voting facility. The remote e-voting module shall be disabled for voting thereafter.
 - The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes casted during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes

cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- The Results shall be declared within 2 days of the conclusion of the Annual General Meeting. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.lakshimimills.com and on the website of the NSDL immediately after the declaration of the results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange - BSE Limited, where the shares of the Company are listed.

ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The members of the Company at the Annual General Meeting held on 24th September 2021 have approved the appointment of Sri S. Pathy (DIN: 00013899) as Managing Director of the Company for a period of 5 years and payment of remuneration for a period of 3 years from 24.04.2021. The remuneration payable to the Managing Director was fixed at Rs.7,00,000/- with an annual increment of Rs.50,000/- and the last drawn remuneration was Rs.8,00,000/- per month.

Sri S. Pathy is a B. Com Graduate and has intensive experience of about 50 years in various fields of Management. With the proposed new line of business, the Company is expected to register growth both in top line and bottom line.

In view of the qualification, experience, past performance, increased responsibilities and time spent by Sri S. Pathy as Managing Director, for the prospects of the Company, pursuant to Section 178 & 177 of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Nomination and Remuneration Committee & Audit Committee at their meetings held on 8th February 2024 had recommended / approved the payment of the remuneration to Sri S. Pathy for the remaining tenure

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as Managing Director of the Company with effect from 24th April 2024 to 23rd April 2026 on the terms and conditions as set out in the Notice, and the same is within the limits specified in Part II of Schedule V to the Companies Act, 2013.

Accordingly, the Board of Directors, at their meeting held on 8th February 2024, has approved the payment of remuneration to Sri S. Pathy (DIN: 00013899), for the remaining tenure as Managing Director of the Company with effect from 24th April 2024.

Pursuant to Section(s) 196(4) and 197 read with Schedule V of the Companies Act, 2013, and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Special Resolution for payment of remuneration to the Managing Director, as set out under Item No. 3 of the Notice, is placed before the members for approval.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief bio-data of Sri S. Pathy and other disclosures as per Secretarial Standard 2 are furnished and forms a part of this notice.

Except Sri S. Pathy, being the beneficiary and Sri Aditya Krishna Pathy, Deputy Managing Director being his relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No.3.

Item No. 4

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 9th August 2024 have recommended the appointment of Sri K. Murali Mohan (DIN: 00626361), as Non Executive Independent Director of the Company for a term of five (5) consecutive years with effect from the conclusion of the 114th Annual General Meeting. A notice in writing under Section 160 of the Companies Act, 2013, has been received from a Member proposing Sri K. Murali Mohan as a candidature for the office of Independent Director of the Company.

Sri K. Murali Mohan is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and is not debarred from holding the office of Director by virtue of any Order of the Securities and Exchange Board of India ("SEBI") or any other such authority.

Sri K. Murali Mohan has given his consent to act as a Director along with the declaration to the effect that he meets the criteria of independence as prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that his name is included in the databank of Independent Directors as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board of Directors, Sri K. Murali Mohan (DIN: 00626361) fulfils the conditions specified in the Companies Act, 2013 read with Rules made thereunder and the Listing Regulations for his reappointment as an Independent Director of the Company and is independent of the Management. The Nomination and Remuneration Committee and the Board of Directors have reviewed / evaluated the skills, knowledge and experience on the Board and identified the role and capabilities required of an Independent Director and considered that the appointment of Sri K. Murali Mohan with his experience and expertise will be beneficial and value to the Company. During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

Sri K. Murali Mohan also serves on the boards of other unlisted Public Limited Companies.

A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of his appointment would be available for inspection by the Members at the Registered Office of the Company during the normal business hours of the Company, other than Saturdays and Sundays, without payment of fee.

The disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are furnished and form a part of this Notice.

Accordingly, the Board recommends the Special Resolution in relation to eligibility and appointment of Sri K. Murali Mohan as an Independent Director for a term of five (5) consecutive years for approval by the Members of the Company.

Interest of Directors:

Except Sri K. Murali Mohan being the proposed appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution as set out in Item No. 4 of the Notice.

Item No. 5

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 9th August 2024 have recommended the appointment of Sri R. Varadarajan (DIN: 00001738), as Non Executive Independent Director of the Company for a term of five (5) consecutive years with effect from the conclusion of the 114th Annual General Meeting. A notice in writing under Section 160 of the Companies Act, 2013, has been received from a Member proposing Sri R. Varadarajan as a candidature for the office of Independent Director of the Company.

Sri R. Varadarajan is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and is not debarred from holding the office of Director by virtue of any Order of the Securities and Exchange Board of India ("SEBI") or any other such authority.

Sri R. Varadarajan has given his consent to act as a Director along with the declaration to the effect that he meets the criteria of independence as prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that his name is included in the databank of Independent Directors as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board of Directors, Sri R. Varadarajan (DIN: 00001738) fulfils the conditions specified in the Companies Act, 2013 read with Rules made thereunder and the Listing Regulations for his reappointment as an Independent Director of the

Company and is independent of the Management. The Nomination and Remuneration Committee and the Board of Directors have reviewed / evaluated the skills, knowledge and experience on the Board and identified the role and capabilities required of an Independent Director and considered that the appointment of Sri R. Varadarajan with his experience and expertise will be beneficial and value to the Company. During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

Sri R. Varadarajan also serves on the boards of other Listed Companies, Unlisted Public Limited Companies and Private Limited Companies.

A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of his appointment would be available for inspection by the Members at the Registered Office of the Company during the normal business hours of the Company, other than Saturdays and Sundays, without payment of fee.

The disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are furnished and form a part of this Notice.

Accordingly, the Board recommends the Special Resolution in relation to eligibility and appointment of Sri R. Varadarajan as an Independent Director for a term of five (5) consecutive years for approval by the Members of the Company.

Interest of Directors:

Except Sri R. Varadarajan being the proposed appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution as set out in Item No. 5 of the Notice.

Item No. 6

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 9th August 2024 have recommended the appointment of Sri Ashwin Chandran (DIN: 00001884), as Non Executive Independent Director of the Company for a term of five (5) consecutive years with effect from the conclusion of

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the 114th Annual General Meeting. A notice in writing under Section 160 of the Companies Act, 2013, has been received from a Member proposing Sri Ashwin Chandran as a candidature for the office of Independent Director of the Company.

Sri Ashwin Chandran is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and is not debarred from holding the office of Director by virtue of any Order of the Securities and Exchange Board of India ("SEBI") or any other such authority.

Sri Ashwin Chandran has given his consent to act as a Director along with the declaration to the effect that he meets the criteria of independence as prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that his name is included in the databank of Independent Directors as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board of Directors, Sri Ashwin Chandran (DIN: 00001884) fulfils the conditions specified in the Companies Act, 2013 read with Rules made thereunder and the Listing Regulations for his reappointment as an Independent Director of the Company and is independent of the Management. The Nomination and Remuneration Committee and the Board of Directors have reviewed / evaluated the skills, knowledge and experience on the Board and identified the role and capabilities required of an Independent Director and considered that the appointment of Sri Ashwin Chandran with his experience and expertise will be beneficial and value to the Company. During his tenure of appointment, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

Sri Ashwin Chandran has more than 25 years of experience in the textile industry and also serves on the boards of other Listed and Unlisted Public Limited Companies.

A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of his appointment would be available for inspection by the Members at the Registered Office of the Company during the normal business hours of the Company, other than Saturdays and Sundays, without payment of fee.

The disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are furnished and form a part of this Notice.

Accordingly, the Board recommends the Special Resolution in relation to eligibility and appointment of Sri Ashwin Chandran as an Independent Director for a term of five (5) consecutive years for approval by the Members of the Company.

Interest of Directors:

Except Sri Ashwin Chandran being the proposed appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution as set out in Item No. 6 of the Notice.

Item No. 7

The Board of Directors of the Company, at their meeting held on 28th May 2024 on the recommendation of the Audit Committee, has approved the appointment and remuneration payable to M/s. A. R. Ramasubramania Raja & Co., (Firm Registration No. 000519) Cost Accountants for the audit of cost accounting records of the Company pursuant to the Companies (Audit and Auditors) Rules, 2014, as amended for the financial year 2024-25 at a remuneration of Rs.1,50,000/- per annum excluding the applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the audit.

As per Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as determined by the Board is required to be ratified by the Members of the Company. The Board recommends this Resolution for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

General information as required under Section II of Part II of Schedule V of the Companies Act, 2013 (as amended) relating to the Special Resolution under Item No. 3:

A. General information:			
Nature of industry	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 consists of letting out of properties. The installed capacity is 1,44,432 Ring spindles. The Company presently has two manufacturing Units, one at Palladam and another at Kovilpatti.		
Date of commencement of commercial production	01.04.1910		
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
Financial performance based on given indicators (in lakhs)	Particulars	2023-2024	2022-2023
	Sales & other income	26,101.04	24,445.17
	Profit/ (Loss) before tax	(2,020.87)	(677.86)
	Profit/ (Loss) after tax	(1,379.29)	(501.20)
	Paid-up equity capital	695.55	695.55
	Reserves and Surplus	12,464.28	13,906.17
	Basic Earnings Per Share	(198.30)	(72.06)
Foreign investments or collaborations, if any	Nil		
B.Information about the appointee:			
Background details	Sri S. Pathy was appointed as Managing Director for a period of 5 years with effect from 24.04.2021. He takes care of day-to-day operations of the Company.		
Past remuneration	Rs. 99,21,667/-		
Recognition or awards	Nil		
Job profile and his suitability	Sri S. Pathy as Managing Director of the Company shall have all powers and duties as the Board may determine from time to time subject to the provisions of the Companies Act, 2013 and SEBI Regulations.		
Remuneration proposed	As set out in Item No. 3 of the Notice		
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the profile of Sri S. Pathy, responsibility shouldered by him, the industry standard and the size of the Company, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other companies.		

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Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	<p>Sri S. Pathy, Managing Director of the Company, is one of the promoters of the Company. He is related to Sri Aditya Krishna Pathy, Deputy Managing Director of the Company.</p> <p>Besides the remuneration being received, he does not have any pecuniary relationship with the company.</p>
C. Other information	
Reasons of loss or inadequate profits	Due to recession in clothing industry and financial hardships, the profits are inadequate.
Steps taken or proposed to be taken for improvement	The Company is continuously taking various cost control measures and with rental income would result in increased profitability in the ensuing years.
Expected increase in productivity and profits in measurable terms	The expected increase in productivity and profits in measurable terms at this stage is difficult to ascertain by the Company.
D. Disclosures	
The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:	The same is mentioned in the Corporate Governance report which forms a part of the Annual Report.
a. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	
b. Details of fixed component and performance linked incentives along with the performance criteria	
c. Service contracts, notice period, severance fees	None
d. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	None

Details of Directors seeking appointment / re-appointment at the Annual General Meeting pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 - Clause 1.2.5 issued by the Institute of Company Secretaries of India

Name	Sri S. Pathy	Sri Sanjay Jayavarthanavelu	Sri Ashwin Chandran
Director Identification Number	00013899	00004505	00001884
Date of Birth / Nationality	17.11.1949 / Indian	15.06.1968 / Indian	30.05.1976 / Indian
Date of Appointment on the Board	27.09.1995	30.07.2010	NIL
Inter-se relationship with other Directors/ Key Managerial Personnel	Related to Sri Aditya Krishna Pathy	Not related to any other Director	
Qualification	B.Com	MBA (Philadelphia University, USA)	B.Sc (Hons) - University of Manchester, UK, MBA - University of Illinois, USA
Expertise in area/ Experience	50 Years	33 years	25 Years
No of Shares held in the Company (including shareholding as a beneficial owner)	1,13,570	13,213	NIL
Board Position held	Executive - Chairman and Managing Director	Non Executive - Non Independent Director	NIL
No. of Board Meeting attended during the year	4	4	NIL
Terms and conditions of appointment	Payment of revised remuneration as set out in item No. 3 of the Notice	Retires by rotation and eligible for re-appointment	Appointment for a term of 5 years and not liable to retire by rotation
Remuneration last drawn	Rs. 99,21,667/-	NIL	NIL
Remuneration proposed to be paid	As set out in the item No. 3 of the Notice	Sitting fees for attending the Board and Committee Meetings	
List of Directorships held in other companies	<p>Lakshmi Automatic Loom Works Ltd</p> <p>Lakshmi Machine Works Ltd</p> <p>Lakshmi Card clothing Mfg. Co. Pvt Ltd</p> <p>LCC Investments Pvt. Ltd</p> <p>The Coimbatore Lakshmi Cotton Press Pvt Ltd</p> <p>Sans Craintes Stud Farm Pvt Ltd</p> <p>Sans Craintes Livestock Pvt Ltd</p> <p>Sans Craintes Racing & Bloodstock Pvt Ltd</p> <p>Rasakondalu Developers Pvt Ltd</p> <p>Sans Craintes Power Pvt Ltd</p>	<p>Lakshmi Machine Works Ltd</p> <p>Super Sales India Ltd</p> <p>Lakshmi Electrical Control System Ltd</p> <p>Carborandum Universal Ltd</p> <p>Lakshmi Cargo Company Ltd</p> <p>Lakshmi Life Sciences Ltd</p> <p>Lakshmi Tech & Engg Ind Ltd</p> <p>Lakshmi Ring Travellers (Cbe) P Ltd</p> <p>Chakradhara Aerospace P Ltd</p> <p>Alampara Hotels & Resorts P Ltd</p>	<p>Precot Ltd</p> <p>Kovilpatti Lakshmi Roller Flour Mills Ltd</p> <p>The Cotton Textiles Export Promotion Council</p> <p>PC Racing Foundation</p> <p>Confederation of Indian Textile Industry</p> <p>Textile Sector Skill Council</p>
Committee Chairmanship/ Membership held in other companies			
Audit Committee	NIL	Member Carborandum Universal Ltd Lakshmi Cargo Company Ltd	Member Kovilpatti Lakshmi Roller Flour Mills Ltd
Nomination and Remuneration Committee	Member Lakshmi Machine Works Ltd	Member Carborandum Universal Ltd The Lakshmi Mills Company Ltd	Chairman Kovilpatti Lakshmi Roller Flour Mills Ltd
Stakeholders Relationship Committee	Member Lakshmi Machine Works Ltd	NIL	Member Precot Ltd Kovilpatti Lakshmi Roller Flour Mills Ltd
Names of the listed entities from which the person has resigned in the past 3 years	NIL	NIL	NIL

THE LAKSHMI MILLS COMPANY LIMITED

Name	Sri Murali Mohan	Sri R. Varadarajan
Director Identification Number	00626361	00001738
Date of Birth / Nationality	12.03.1948 / Indian	22.04.1958 / Indian
Date of Appointment on the Board	NIL	NIL
Inter-se relationship with other Directors/ Key Managerial Personnel	Not related to any other Director	
Qualification	B.E. (Elec)., FCA	M.B.M., M.A (English Lit)
Expertise in area/ Experience	51 Years	37 Years
No of Shares held in the Company (including shareholding as a beneficial owner)	NIL	NIL
Board Position held	NIL	NIL
No. of Board Meeting attended during the year	NIL	NIL
Terms and conditions of appointment	Appointment for a term of 5 years and not liable to retire by rotation	
Remuneration last drawn	Nil	NIL
Remuneration proposed to be paid	Sitting fees for attending the Board and Committee Meetings	
List of Directorships held in other companies	The Bhavani Tea & Produce Co. Ltd Be Be Rubber Estates Ltd	Rajshree Sugars & Chemicals Ltd Lakshmi Automatic Loom Works Ltd Sri Krishna Potable Products Pvt Ltd COCCA Art & Design Institute Pvt Ltd
Committee Chairmanship/ Membership held in other companies		
Audit Committee	NIL	Member Rajshree Sugars & Chemicals Ltd Lakshmi Automatic Loom Works Ltd
Nomination and Remuneration Committee	NIL	Member Lakshmi Automatic Loom Works Ltd
Stakeholders Relationship Committee	NIL	Member Rajshree Sugars & Chemicals Ltd
Names of the listed entities from which the person has resigned in the past 3 years	NIL	NIL

Coimbatore
09.08.2024

By Order of the Board
N. SINGARAVEL
Company Secretary

DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors have pleasure in presenting the Hundred and Fourteenth Year Annual Report together with the audited accounts of the Company for the year ended 31st March 2024.

FINANCIAL SUMMARY / HIGHLIGHTS

	31.03.2024	31.03.2023
No. of days worked	357	354
	(₹ in Lakhs)	
Revenue from operations	25,296.90	24,040.40
Other income	804.14	404.77
GROSS REVENUE	26,101.04	24,445.17
Profit / (Loss) before Tax and Exceptional Items	(2,189.93)	(773.87)
Less : Exceptional items	169.06	96.01
Profit / (Loss) before Taxation	(2,020.87)	(677.86)
Tax Expense	(641.58)	(176.66)
Profit / (Loss) after Taxation	(1,379.29)	(501.20)

OPERATIONS

The Company's Revenue from Operations increased by 5% from Rs. 24,040.40 Lakhs in 2022-23 to Rs. 25,296.90 Lakhs in 2023-24 and the Net Loss after Tax for financial year 2023 - 24 is Rs. 1,379.29 Lakhs as against the Net Loss of Rs. 501.20 Lakhs for the financial year 2022-23. The installed capacity increased from 1.33 to 1.44 lakh spindles during the year 2023-24. Due to adverse market conditions in domestic and export fronts, the production of yarn was affected resulting in lower turnover. As such the Company was not able to work in full capacity during the year under review.

The revenue segments of the Company continues to be structured with two business segments as (a) Textiles and (b) Rental Services.

CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business operations of the Company during the year.

RENTAL SERVICES

The income generated from rental services during the year was Rs. 1,539.58 Lakhs (Previous year - Rs. 655.16 Lakhs).

EXPORTS

Your Company apart from manufacturing Cotton and Synthetic yarn have outsourced fabrics both for exports as well as for domestic market. Export of yarn and fabrics accounted for Rs. 4,415.47 Lakhs as against Rs. 5,188.21 Lakhs in the previous year, a decrease of around 14.89% from the previous year's performance.

DIVIDEND

The Board of Directors of the Company have not recommended dividend for the financial year 2023-24.

TRANSFER TO RESERVES

The Company has not transferred any amount to its Reserves during the year under review. However, an amount of Rs. 1,379.29 Lakhs of the current loss has been adjusted with the surplus under the head retained earnings.

THE LAKSHMI MILLS COMPANY LIMITED

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Sections 124 and 125 of the Companies Act, 2013, unclaimed or unpaid Dividend relating to the financial year 2016-17 is due for remittance to the Investor Education and Protection Fund established by the Central Government.

Further, pursuant to Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 708 Equity Shares of Rs.100/- each on which dividend had remained unclaimed for a period of 7 years has been transferred to the credit of Demat Account identified by the IEPF Authority during the year under review. As on 31st March 2024, 19,386 Equity Shares of the Company were in the credit of the Demat Account of the IEPF Authority.

During the year under review, unclaimed dividend amount of Rs. 2,48,085/- for the year 2015-16 has been transferred to IEPF Authority.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March 2024 was Rs. 6,95,55,000/- comprising 6,95,550 shares of Rs. 100/- each. During the year under review, the Company has not made any fresh issue of shares.

WEBLINK OF ANNUAL RETURN

The Annual Return of the Company for the financial year 2023-24 as required under Section 92(3) of the Companies Act, 2013 is available on the website of the Company at the link www.lakshmill.com/annual-return.

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, 2 Meetings of the Nomination and Remuneration Committee, 1 Meeting of the Corporate Social Responsibility Committee, 1 Meeting of the Stakeholders Relationship Committee and 21 Meetings of the Share Transfer Committee were held. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of applicable Secretarial Standards and that such systems are adequate and operating effectively. The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that-

- (i) In the preparation of the annual accounts for the year ended 31st March 2024, the applicable accounting standards have been followed and there were no material departures from those standards;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis;

- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of the applicable laws and such systems are adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There was no instance of fraud identified or reported by the Statutory Auditors during the course of their audit for the year to report to the Audit Committee and/or Board pursuant to Section 143(12) of the Companies Act, 2013 and rules framed thereunder.

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 stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014. During the year, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s). The details of remuneration and /or other benefits of the Independent Director are mentioned in the Corporate Governance Report. Further, they have also declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence as specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

Based on the confirmation/disclosures received from the Directors and on the evaluation of the relationships disclosed, the following Non-Executive Directors are Independent:

Sri D. Rajendran, Sri Satish Ajmera, Sri Vijay Venkataswamy and Smt Suguna Ravichandran

Pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014 the Certificate of Registration as required from all the Independent Directors of the Company was taken on note by the Board of Directors of the Company.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS DURING THE YEAR

The Board of Directors have evaluated the Independent Directors during the year 2023-24 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.

FAMILIARIZATION PROGRAMMES

In compliance with the requirements of the Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Independent Directors, the working of the Company, nature of the industry in which the Company operates. The same is also available on the Company website at <https://www.lakshimimills.com/familiarisation-programme>.

THE LAKSHMI MILLS COMPANY LIMITED

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013

The composition and attendance of the Nomination and Remuneration Committee of Directors of the Company are reported elsewhere in the Annual Report.

The Board of Directors has framed a policy which lays down a framework in relation to nomination, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive Directors, Key Managerial Personnel and Senior Management. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Directors and criteria for appointment of Key Managerial Personnel / Senior Management pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI Listing Regulations and their performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the appointees. The above policy has been posted on the website of the Company at - <https://www.lakshmill.com/investors/Nomination-and-Remuneration-Policy.pdf>.

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Subbchar & Srinivasan, Statutory Auditors.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, the Company has made investments and complied with the provisions of Section 186 of Companies Act, 2013 and the details in respect of investments have been disclosed in the notes to the Financial Statements.

However, the Company has not given any loans or guarantees or provided any securities covered under the provisions of Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions of the Company during the year with the related parties were in the ordinary course of business and on an arm's length pricing basis and not material in nature and thus a disclosure in Form AOC-2 is not required. Further, there are no material related party transactions during the year under review with Promoters, Directors or Key Managerial Personnel.

The policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the website of the Company and may be accessed through the link at <https://www.lakshmill.com/investors/Policy-on-Related-Party-Transactions.pdf>.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There is no material change or commitment affecting the financial position of the Company after the closure of the financial year as on 31st March 2024 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 - 1 forming part of this report.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company follows a comprehensive and integrated risk management process. 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 reviewed and integrated with the management process such that they receive the necessary consideration during decision making by the Board of Directors.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Board had formed a Corporate Social Responsibility Committee comprising of the following Directors:

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

The company has adopted a Corporate Social Responsibility Policy defining therein the CSR activities to be undertaken by the Company in areas or subjects specified in Schedule VII of the Companies Act, 2013. The Corporate Social Responsibility Committee of the Board is responsible for the implementation and effective monitoring of the CSR activities of the Company. The CSR policy may be accessed on the Company's website <https://www.lakshimills.com/other-information>.

The Company's average net profits of the three immediately preceding financial years of the financial year 2023-24 is less than the prescribed limit as per Section 135 read with Section 198 of the Companies Act, 2013 and hence no amount has been prescribed/allocated for the CSR expenditure. Thus, no amount has been spent on the CSR activities of the Company for the financial year 2023-24.

The brief outline of the Corporate Social Responsibility ("CSR") Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out as Annexure-2 to this report in the format prescribed in the Companies (CSR Policy) Rules, 2014.

ANNUAL EVALUATION OF THE BOARD ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The performance evaluation was carried out on the basis of the criteria laid down by Nomination and Remuneration Committee and the inputs received from all the Directors/Members of the Committees, considering the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The Independent Directors of the Company have also convened a separate meeting for reviewing the performance of the Non-Independent Directors and the Board as a whole and assessing the quality, quantity and timeliness of flow of information between the Company and the Board. The results of evaluation have been communicated to the Chairman of the Board of Directors.

DIRECTORS' & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Sri Sanjay Jayavarthanavelu, (DIN 00004505) Director is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible offers himself for re-appointment.

THE LAKSHMI MILLS COMPANY LIMITED

The Board recommends his reappointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Sri Sanjay Jayavarthanavelu is given in the Notice convening the Annual General Meeting.

In accordance with the provisions of Section 152 of the Act, upon completion of the second term of office as Independent Director - Sri Satish Ajmera, Sri D. Rajendran and Sri Vijay Venkataswamy are vacating the Office from the conclusion of the ensuing Annual General Meeting.

On the recommendations of the Nomination and Remuneration Committee in their ensuing meeting, the Independent Directors will be appointed for a consecutive period of 5 years at the ensuing Annual General Meeting.

The Key Managerial Personnel of the Company pursuant to Section 2(51) and 203 of the Companies Act, 2013 are Sri S. Pathy - Chairman and Managing Director, Sri Aditya Krishna Pathy - Deputy Managing Director, Sri N. Singaravel - Company Secretary and Sri A. Doraiswamy - Chief Financial Officer.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any joint venture, subsidiary or associate company.

FIXED DEPOSITS

Since the Company has not accepted any fixed deposit covered under Chapter V of the Companies Act, 2013, there are no deposits remaining unclaimed or unpaid as on 31st March, 2024 and accordingly, the question of default in repayment of deposits or payment of interest thereon during the year does not arise.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on the results of such assessments carried out by the management, no reportable or significant deficiencies and no material weakness in the design or operation of any control were observed. The Audit Committee of the Board periodically reviews the Internal Financial Control Systems and their adequacy and recommends corrective action as and when necessary to ensure that an effective internal control mechanism is in place.

The Directors and Management confirm that the internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors Report.

COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM / WHISTLE BLOWER POLICY

The composition and attendance of the Audit Committee of the Board of Directors of the Company are disclosed in the Corporate Governance Report of the Annual Report. The Company has devised a vigil mechanism in the form of a Whistle Blower Policy to provide adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behavior or any violation of the Company's Code of Conduct in pursuance of provisions of Section 177(10) of the Companies Act, 2013 as explained in the Corporate Governance Report and also posted on the website of company and can be accessed at the link <https://www.lakshmill.com/>

investors/Vigil-Mechanism-Whistle-Blower-Policy.pdf. During the year under review, there were no complaints received under this mechanism.

AUDITORS

STATUTORY AUDITORS

M/s. Subbachar & Srinivasan (Firm Registration No.0040835), Chartered Accountants, Coimbatore were appointed as the Statutory Auditors of the Company for a period of five years at the 112th Annual General Meeting of the company held on 9th September 2022.

The Company has received a Certificate from the Statutory Auditors to the effect that their continued appointment as the Statutory Auditors of the Company, would be within the limits prescribed under section 139 of the Companies Act, 2013.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Audit and Auditors) Rules, 2014, as amended from time to time, the Board of Directors on the recommendation of the Audit Committee has reappointed M/s. A.R.Ramasubramania Raja & Co., (Firm Registration No. 000519) a firm of Cost Accountants, as the Cost Auditors to audit the cost records of the Company for the financial year 2024-25. M/s. A.R.Ramasubramania Raja & Co., have confirmed that their appointment is within the limits of section 141(3) (g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under section 141(3) and proviso to section 148(3) read with section 141(4) of the Companies Act, 2013.

The Audit Committee has also received a Certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

As per the provisions of the Companies Act 2013 read with the Companies (Cost Audit and Auditors) Rules, 2014, a resolution seeking Members' approval for the remuneration payable to the Cost Auditors for the financial year 2024-25 forms part of the Notice convening the 114th Annual General Meeting of the Company for their ratification. Accordingly, the Board recommends for the resolution seeking Members' ratification for the remuneration payable to M/s. A.R.Ramasubramania Raja & Co., Cost Auditors.

MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

The Company has maintained the Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

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 Sri M.D.Selvaraj, FCS, Managing Partner of MDS & Associates LLP, Company Secretaries as the Secretarial Auditors of the Company for the year 2024-25 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2023-24 is annexed herewith as Annexure - 3 and forms an integral part of this Report. With respect to the observations made by M/s. MDS & Associates LLP, Company Secretaries, Coimbatore, Secretarial Auditors of the Company in their report for the year ended March 31, 2024, which are self-explanatory, your Directors wish to state that necessary steps have been initiated to ensure due compliance with all applicable statutory requirements.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 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.

THE LAKSHMI MILLS COMPANY LIMITED

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure - 4 to this Report.

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 Complaint 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 of the Company during the financial year 2023-24.

The following is the summary of sexual harassment complaints received and disposed of during the year 2023-24:

- i. Number of complaints received - Nil
- ii. Number of complaints disposed of - NA

CEO/CFO CERTIFICATION

As required under SEBI (Listing Obligations and Disclosure Requirements) Rules 2015, the Chairman and Managing Director (Chief Executive Officer) and the Chief Financial Officer have furnished necessary certificate to the Board on the financial statements presented for the year ended 31st March 2024.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions.

ACKNOWLEDGEMENT

The Board acknowledges the continued support from the Bankers, Cotton, Yarn and Cloth Dealers of the Company and Shareholders 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.

Coimbatore
28th May, 2024

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian Textile industry is one of the largest in the World - holding 4% of global market share contributing 2% to country's GDP and employing 45 million people directly making it the second largest employer in the country.

The textile sector had to face both in the domestic and export markets an unprecedented pandemic, unstable demand and fluctuations in commodity prices. On the external front, the average textile and clothing exports from the country showed a decline of 3.24%.

Indian Cotton yarn spinning industry is expected to witness a breather in this fiscal financial year 2025 with stable Cotton prices due to better availability of Cotton during Cotton season 2024. The Cotton prices likely to remain below International prices and operating margins are expected to improve. Exports are likely to grow marginally over last year performance.

II. OPPORTUNITIES AND THREATS

a) Opportunities

Both the Central and State Governments has announced measures to boost the Textile production to generate employment.

b) Threats:

Unexpected Geo Political development viz., (conflicts in Ukraine and Middle East) had very seriously affected normal trading activities. The prolonged economic impact of global conflicts coupled with challenges such as 11% import duty on cotton and issues related to Manmade Fibre Quality Control Order has led to a significant drop in capacity utilization. International Cotton Advisory Committee (ICAC) has said that geopolitical unrest in the Red Sea has driven shipping freight significantly higher in recent months. Due to re-routing of ships resulting in order delays and cancellations as products take longer time to reach the markets especially for seasonal textiles and apparels.

III. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company is structured into two separate business segments - 'Textiles' and 'Rental Services'.

- i) Textile consists of manufacturing and sale of yarn and trading in cloth and garments.
- ii) Rental services consist of letting out Properties. Your Company has expanded its Rental services during the year, starting earlier with the TATA's Zudio, Croma and Westside retail shops, your Company has attracted well known Hypermarket, international brands like Starbucks, Adidas and also Restaurants serving different style of foods.

IV. OUTLOOK

India is focusing on maintaining its competitiveness in Cotton sector. New indigenous brand Cotton "Kasturi Cotton Bharat" has created awareness regarding quality, purity and durability among stake holders. Ginners can get better value for this Cotton.

The FTA agreements with UAE as well as with Australia are concluded and the Textile industry is eagerly awaiting the signing of Indo-U.K. FTA and a possible FTA with Canada, Peru and few other countries. These FTAs are expected to give an impetus to exports as the disadvantages currently faced by Indian exporters ranging from 9.6% to 12% in price realisation could be removed. Stable Cotton prices due to better availability of Cotton in Cotton season 2024 and improved Cotton yarn prices will support improvement in margin.

THE LAKSHMI MILLS COMPANY LIMITED

V. RISKS AND CONCERNS

The Company has a risk management process and framework in place. The process is coordinated by the Board which meets regularly to review risks as well as the progress against the planned actions. The Board seeks to identify, evaluate business risks and challenges across the Company through such framework. These risks include market risk and liquidity risk. Schemes of Modernisation to improve the productivity levels as well as for increasing capacity are in place.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate Internal Control System commensurate with its size and operations to safeguard the assets and ensure reliability of financial results.

VII. DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The revenue during the year 2023-24 was Rs. 26,101.04 Lakhs and your Company incurred a loss of Rs. 1,379.29 Lakhs after deferred tax credit of Rs. 641.58 Lakhs. The EBITDA stands at Rs. 934.81 Lakhs.

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

The relations with employees continue to be cordial. The Company had 327 permanent employees as on 31.3.2024

IX. KEY FINANCIAL RATIOS

Sl. No	Description	2023 - 24	2022 - 23	% change	Explanation
1	Debtors Turnover Ratio	14.37	10.60	(35.57)	Decrease in average Trade Receivables
2	Inventory Turnover Ratio	5.83	4.50	(29.56)	Decrease in average inventory
3	Interest Coverage Ratio	(0.97)	(0.06)	(1,516.67)	Increase in interest
4	Current Ratio	0.59	0.69	14.49	Increase in Liabilities
5	Debt Equity Ratio	0.16	0.17	5.88	Increase in Equity
6	Operating Profit Margin %	(4.26)	(0.18)	(2,266.67)	Decrease in Earnings
7	Net Profit Margin (%)	(5.45)	(2.09)	(160.77)	
8	Return on Net Worth	26.28	1.78	(1,376.40)	Increase in Comprehensive Income

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

S. PATHY

Chairman and Managing Director
(DIN 00013899)

Coimbatore
28th May, 2024



ANNEXURE - 1

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

A. Conservation of Energy

i. Steps taken for conservation of energy

In Palladam Mills,

In A Unit - Blow Room and Carding Dept - One Fan Pulley Dia was changed from 210 to 200 mm and Comber waste collection pipe 2 Nos. were converted into one single line and Ventilator Centrifugal Fan of 15 Kw was removed.

In B Unit - Blow Room and Carding Dept - One Fan Pulley Dia was changed from 210 to 190 mm and in Spinning Plant No. 1 Two Aluminium Supply Fans were replaced with 2 Nos. of energy efficient Nylon Fans. Due to these measures a saving of 18,510 Units per month were achieved.

In Kovilpatti Mills,

25 Nos. of 40W Street Light Bulbs were changed to 22W LED Street Light Fittings. Splicer gasket was changed for arresting compressor air leakage in 21 Nos. Savio Pulsar Autoconer and 11 Nos. in Savio Polar Autoconer. Due to these measures a saving of 3,911 Units per month were achieved.

ii. Steps taken by the Company for utilizing alternate sources of energy

The Company utilised alternative renewable energy from 3rd Parties at concessional rates.

iii. Capital investment on energy conservation equipment - Nil

B. Technology Absorption

i. Efforts made towards technology absorption, adaptation and innovation:

The Company has not imported any Technology.

ii. Benefits derived as a result of the above efforts:

Not applicable

iii. Information of Imported Technology (imported during the last 5 years from the beginning of the Financial Year):

Not applicable

iv. Expenditure incurred on Research & Development:

No expenditure incurred for R & D during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	₹ in Lakhs
Foreign Exchange earnings	4,415.47
Foreign Exchange outgo	596.22

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

S. PATHY

Chairman and Managing Director
(DIN 00013899)

Coimbatore
28th May, 2024

THE LAKSHMI MILLS COMPANY LIMITED

ANNEXURE - 2

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company

CSR is a sense of responsibility towards the community and environment in which we operate. It can be expressed through contribution / participation in educational and social programs, pollution control, Green Movement etc. Considering the vital role played by education in producing good citizens, who can nurture strong and healthy nation, we primarily concentrate on promotion of education besides other social objectives. The CSR activities under the Policy are those covered under the ambit of Schedule VII of the Companies Act 2013. CSR projects are subject to audit.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sri S. Pathy	Managing Director (Chairman of the Committee)	1	1
2	Sri Aditya Krishna Pathy	Deputy Managing Director (Member)	1	1
3	Sri D. Rajendran	Non-Executive Independent Director (Member)	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The disclosure on composition of the CSR committee is available in the website of the Company at <https://www.lakshimimills.com/investors/Board-and-Board-Committees.pdf>.

The disclosure on CSR Policy is available in the website of the Company at <https://www.lakshimimills.com/wp-content/uploads/2017/11/Policy-on-Corporate-Social-Responsibility.pdf>. The Company has not carried out any CSR project during the year.

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

The Company has not carried out Impact assessment of CSR projects in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 as the same is not applicable to the Company.

5. (a) Average net profit of the Company as per Section 135(5):

Not applicable as the Company's average net profits of the three immediately preceding financial years is less than the prescribed limit as per Section 135 of the Companies Act, 2013.

(b) Two percent of average net profit of the Company as per Section 135(5): Nil

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable

(d) Amount required to be set off for the financial year, if any: Not Applicable

(e) Total CSR obligation for the financial year: Nil

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Nil

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Nil

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(f) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. Details of Unspent CSR amount for the preceding three financial years:

The Company does not have any unspent CSR amount in any of the preceding three financial years and hence disclosure under this clause does not arise.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

The Company has not created or acquired any capital asset through CSR spending in the financial year and hence reporting under this clause does not arise.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

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.

Coimbatore
28th May, 2024

ADITYA KRISHNA PATHY
Member of CSR Committee &
Deputy Managing Director
DIN: 00062224

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

THE LAKSHMI MILLS COMPANY LIMITED

FORM NO. MR-3

ANNEXURE - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[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 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members

The Lakshmi Mills Company Limited

(CIN: L17111TZ1910PLC000093)

686, Avanashi Road, Pappanaickenpalayam

Coimbatore - 641 037

We 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). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, 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.

We 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, 2024 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d) 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; and
- e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);
- b) The Listing Agreement entered into by the Company with the BSE Limited.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations and Standards etc., mentioned above except to the extent of the following:

- During the year under review, the Company had made a delayed submission of proceedings of the Annual General Meeting. However, the Company has submitted an explanation for delay as required under second proviso to Regulation 30(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) to the Stock Exchange(s) on 8th April 2024, in reply to the e-mail received from BSE dated 6th April 2024.
- The listed entity is in the process of complying with the procedural requirements specified in Regulation 39(4) read with Schedule VI of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 in respect

of Unclaimed shares held in physical mode and the same is yet to be transferred into “Unclaimed Suspense Account”.

We further report that, during the year under review, there were no actions/events in pursuant of the following Rules/Regulations requiring compliance thereof by the Company:

- 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, 2018;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; and
- g. The Securities and Exchange Board of India (Issue and Listing of Non - Convertible Securities) Regulations, 2021.

We further report that based on the information provided by the Company, its officers and authorized representatives, there are no laws specifically applicable to the Company.

We further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable.

We further report, that the compliance of applicable financial laws, like direct and indirect tax laws by the Company has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

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 Committees of the Board, as the case may be.

We 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.

We further report that during the period, there were no instances of:

- Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity
- Redemption / buy-back of securities
- Major decision taken by the members in pursuant to Section 180 of the Companies Act, 2013
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations

**For MDS & Associates LLP
Company Secretaries**

**M D SELVARAJ
Managing Partner**

Place: Coimbatore
Date : 28.05.2024

**Membership No.: FCS 960, C P No.: 411
Peer Review No. 3030/2023
UDIN: F000960F000441378**

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

THE LAKSHMI MILLS COMPANY LIMITED

‘Annexure A’

ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE

To

The Members

The Lakshmi Mills Company Limited

(CIN: L17111TZ1910PLC000093)

686, Avanashi Road

Pappanaickenpalayam

Coimbatore - 641 037.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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, regulations and standards is the responsibility of management. Our 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.

For MDS & Associates LLP
Company Secretaries

Place: Coimbatore

Date : 28.05.2024

M D SELVARAJ
Managing Partner
Membership No.: FCS 960, C P No.: 411
Peer Review No. 3030/2023
UDIN: F000960F000441378

ANNEXURE - 4

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 2023-24:

Sl. No	Name	Category	Ratio
1	Sri S. Pathy	Chairman and Managing Director	36.88 : 1
2	Sri Aditya Krishna Pathy	Deputy Managing Director	24.83 : 1

Note: No sitting fees paid to the Managing Directors. No increase in remuneration other than annual increments.

- 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 2023-24:

Sl. No	Name	Category	%
1	Sri S. Pathy	Chairman and Managing Director	6.42
2	Sri Aditya Krishna Pathy	Deputy Managing Director	7.92
3	Sri N. Singaravel	Company Secretary	6.40
4	Sri A. Doraiswamy	Chief Financial Officer	4.47

- iii. The percentage increase in the median remuneration of employees in the financial year 2023-24:

-4.54% (Previous Year: -0.17%).

- iv. The number of permanent employees on the rolls of Company as on 31st March 2024:

327 (Previous Year: 319).

- v. 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 average percentile increase in salaries of employees other than Managerial Personnel and KMP is 10.26% (Previous Year: -0.18%) and for Managerial Personnel and KMP is 6.77% (Previous Year: 6.40%).

- vi. Affirmation that the remuneration paid during the financial year 2023-24 is as per the Remuneration Policy of the Company.

It is affirmed that the remuneration paid during the financial year 2023-24 is as per the Remuneration Policy of the Company.

THE LAKSHMI MILLS COMPANY LIMITED

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(a). Statement showing the names of the top ten employees in terms of remuneration drawn during the financial year 2023-24

Name (Age in Years)	Designation	Gross Remuneration paid	Qualification	Date of Commencement of employment (Experience in Years)	Previous Employment
S. Pathy (74 Years)	Chairman and Managing Director	99,21,667/-	B.Com	24-04-1996 (50 Years)	South India Viscose Ltd
Aditya Krishna Pathy (37 Years)	Deputy Managing Director	61,24,015/-	Graduate in Business Mgmt	30-07-2010 (13 Years)	Nil
N. Jaychander (63 Years)	Chief Operating Officer	27,58,211/-	Post Grad. In Business Admin	27-01-1985 (39 Years)	South India Viscose Ltd
N. Varadarajan (63 Years)	Senior General Manager - Marketing	23,26,778/-	B.Com, FICWA, ACS	24-06-2004 (42 Years)	Sri Renga Textiles
N. Ravi (71 Years)	Senior General Manager - Exports	21,98,378/-	MSc, MBA, FTC	20-01-1999 (45 Years)	Sundaram Textiles Ltd
K. Kumar (58 Years)	General Manager - Projects	20,80,000/-	M.Com, PGDMA, MBA	06-06-2019 (38 Years)	Dhanalakshmi Paper Mills Ltd
G. Radhakrishnan (69 Years)	Senior General Manager	18,73,400/-	B.Tech	22-03-2019 (45 Years)	The Palaniandavar Mills Ltd
A. Doraiswamy (82 Years)	Chief Financial Officer	17,62,884/-	B.Com, MBA, ACA, ACS	18-03-2019 (58 Years)	Lakshmi Automatic Loom Works Limited
V. Prabhakaran (66 Years)	General Manager - Finance & Accounts	15,95,776/-	M. Com, MBA	02.04.1979 (45 Years)	Nil
N. Singaravel (56 Years)	Company Secretary	15,02,744/-	B.Com, PG Dip. PM & LL, ACS	20-02-2013 (24 Years)	Pricol Properties Limited

(b). Statement showing the name of every employee, who -

(i)	if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;	NONE
(ii)	if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;	
(iii)	if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.	

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 read with Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

NOT APPLICABLE

Coimbatore
28th May, 2024

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

THE LAKSHMI MILLS COMPANY LIMITED

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2024, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Lakshmi Mills is committed to the sound ethical practice of corporate functioning with maximum 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 means 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 ensures a judicious mix of Executive, Non-Executive and Independent Directors. The Board of Directors of the Company consists of Eight (8) Directors. Sri S. Pathy is the Chairman and Managing Director, Sri Aditya Krishna Pathy is the Deputy Managing Director and all other Directors are Non-Executive Directors (out of which four (4) are Independent Directors, including a Woman Independent Director and two (2) are Non Executive Non- Independent Directors). The composition of the Company's Board is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board met 4 times during the Financial Year on 29th May 2023, 11th August 2023, 8th November 2023 and 8th February 2024. The details of composition of Board, number of other directorships in other public companies, chairmanship and membership in Committees of other public companies as held by the directors of the Company, attendance of Directors at the Board Meetings and the Annual General Meeting held during the year is as under:-

Name of the Directors	Category	Attendance Particulars		No of Directorship in other Companies#	No. of Board Committee Memberships/ Chairmanships held\$	
		Board Meeting	Last AGM		Member	Chairman
Sri S. Pathy (DIN: 00013899)	Executive - Chairman & Managing Director	4	Yes	2	1	-
Sri R. Santharam (DIN: 000151333)	Non - Executive - Vice Chairman	4	Yes	2	2	2
Sri D. Rajendran (DIN: 00003848)	Non - Executive -Independent	4	No	-	1	-
Sri Satish Ajmera (DIN: 00208919)	Non - Executive - Independent	4	Yes	3	1	2
Sri Sanjay Jayavarthanavelu (DIN: 00004505)	Non - Executive - Non Independent	3	No	6	-	1

Name of the Directors	Category	Attendance Particulars		No of Directorship in other Companies#	No. of Board Committee Memberships/ Chairmanships held\$	
		Board Meeting	Last AGM		Member	Chairman
Sri Aditya Krishna Pathy (DIN: 00062224)	Executive - Deputy Managing Director	4	Yes	-	-	-
Smt Suguna Ravichandran (DIN: 00170190)	Non - Executive - Independent	3	Yes	2	1	2
Sri Vijay Venkataswamy (DIN:00002906)	Non - Executive - Independent	3	No	1	1	-

Excludes Alternate Directorships; Directorships in Foreign Companies, Section 8 Companies, Private Companies and Government Companies.

\$ Only Audit Committee and Stakeholders Relationship Committee were considered.

Sri Aditya Krishna Pathy, Deputy Managing Director is the son of Sri S. Pathy, Chairman and Managing Director of the Company. None of the other Directors of the Company are related to each other.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 Committees nor are they the Chairman / Chairperson of more than 5 Committees, as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors holds directorship in more than 20 Companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other Directorship

Directors	Details of other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Sri S. Pathy	Lakshmi Automatic Loom Works Ltd	Promoter, Chairman, Non Executive - Non Independent Director
	Lakshmi Machine Works Ltd	Promoter, Non Executive - Non Independent Director
Sri R. Santharam	Lakshmi Automatic Loom Works Ltd	Promoter, Non Executive - Non Independent Director
Sri D. Rajendran	Nil	Nil
Sri Satish Ajmera	Wires & Fabriks (SA) Ltd	Independent Director
Sri Sanjay Jayavarthanavelu	Lakshmi Machine Works Ltd	Promoter, Executive Chairman and Managing Director
	Carborandum Universal Ltd	Independent Director
	Lakshmi Electrical Control Systems Ltd	Non Executive - Non Independent Director
	Super Sales India Ltd	Promoter, Chairman, Non Executive - Non Independent Director

THE LAKSHMI MILLS COMPANY LIMITED

Directors	Details of other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Sri Vijay Venkataswamy	Nil	Nil
Sri Aditya Krishna Pathy	Nil	Nil
Smt Suguna Ravichandran	Super Spinning Mills Ltd	Women - Independent Director

Details of the Board meetings held during the financial year 2023-24

Four Board meetings were held during the year and the date on which the Board meetings were held are as follows:

S. No	Date of Board Meeting	No. of Directors Attended
1	29.05.2023	8
2	11.08.2023	8
3	08.11.2023	8
4	08.02.2024	5

The information as required under Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board. The Board also reviews the declarations made by the Managing Director and Chief Financial Officer regarding compliance with all applicable laws, on a quarterly basis.

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March 2024

Name of the Directors	No. of Shares	Name of the Directors	No. of Shares
Sri R. Santharam	NIL	Sri Sanjay Jayavarthanavelu	13,213
Sri D. Rajendran	NIL	Smt Suguna Ravichandran	NIL
Sri Satish Ajmera	NIL	Sri Vijay Venkataswamy	7

There has been no materially significant transaction or relationship between the Company and its Non -Executive Directors during the year. The Company has not issued any type of convertible instruments to Non-Executive Directors. The Company has not issued ESOPs to any director.

INDEPENDENT DIRECTORS

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. All Independent Directors of the Company have been appointed/re-appointed as per the provisions of the Companies Act, 2013. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

INDEPENDENT DIRECTOR DATABANK REGISTRATION

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs amending the Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2019 all Independent Directors must have completed the registration with the Independent Directors Databank. The Company has received declarations from all the Independent Directors of the Company confirming that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Chief Executive Officer and the Company Secretary are jointly responsible for ensuring that such induction and familiarization programmes are provided to the Independent Directors to familiarize them about their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company, strategy, operations and functions of the Company as and when required. The management provides information such as specific project, activity or process of the Company at the meeting of Board of Directors or otherwise.

The familiarization program for Independent Directors and the appointment letters of the Independent Directors have been posted in the website - <https://www.lakshmimills.com/familiarisation-programme/>

KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

The Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective decisions or contributions to the Board, its committees and the management.

The list of core skills / expertise / competency identified by the Board of Directors as required in the context of its business(es) and sector(s) for functioning effectively and those already available with the Board are as follows:

Leadership skills	Leadership skills in effective participation in decision making
Industrial Knowledge and Experience	Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values), major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
Technical / Professional Skills	Technical / professional skills and specialist knowledge to assist with ongoing aspects of the board's role in relation to Company's business
Board services and Corporate Governance	Experience in Board services and Corporate Governance to protect the interest of the stakeholders, at large and various rules and regulations applicable to the Company
Business strategy	Experience in Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making
Financial and Management skills	Experience and ability to read and understand the financial statements, proficiency in financial function, reporting and processes
Human resources / Soft skills	Experience in people management, dispute resolution, inter personal relations and liaison with stakeholders

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted:

Board Qualifications							
Name of the Director	Area of Expertise						
	Leadership Skills	Industrial Knowledge and Experience	Technical / Professional Skills	Board Services and Corporate Governance	Business Strategy	Financial and Management Skills	Human Resources and Soft Skills
Sri S. Pathy	✓	✓	✓	✓	✓	✓	✓
Sri R. Santharam	✓	✓	✓	✓	✓	✓	✓
Sri Satish Ajmera	✓	✓	✓	✓	✓	✓	✓
Sri D. Rajendran	✓	✓	✓	✓	✓	✓	✓

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Board Qualifications							
Name of the Director	Area of Expertise						
	Leadership Skills	Industrial Knowledge and Experience	Technical / Professional Skills	Board Services and Corporate Governance	Business Strategy	Financial and Management Skills	Human Resources and Soft Skills
Sri Vijay Venkataswamy	✓	✓	✓	✓	✓	✓	✓
Sri Sanjay Jayavarthanavelu	✓	✓	✓	✓	✓	✓	✓
Sri Aditya Krishna Pathy	✓	✓	✓	✓	✓	✓	✓
Smt Suguna Ravichandran	✓	✓	✓	✓	✓	✓	✓

CONFIRMATION ON THE FULFILLMENT OF THE CONDITIONS OF INDEPENDENCE

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 8th February, 2024 pursuant to Schedule IV of the Companies Act, 2013 without the presence of Non-Independent Directors and Members of the Management, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. 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 except Sri Vijay Venkataswamy and Smt Suguna Ravichandran were present at the Meeting.

During the year under review, none of the Independent Director has resigned before the expiry of the tenure.

COMMITTEE OF DIRECTORS

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

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders Relationship Committee
- 4) Share Transfer Committee
- 5) Corporate Social Responsibility Committee.

AUDIT COMMITTEE

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Out of four members of the Committee, three are Independent Directors including the Chairman of the Committee. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee met 4 times during the financial year on 29th May 2023, 11th August 2023, 8th November 2023 and 8th February 2024. The composition and the attendance of the members at the Committee Meetings held during the year are as under:

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Sri Satish Ajmera (Chairman)	Non-Executive - Independent	4	4
Sri D. Rajendran (Member)	Non-Executive - Independent	4	4
Sri R. Santharam (Member)	Non-Executive - Non - Independent	4	4
Smt Suguna Ravichandran (Member)	Non-Executive - Independent	4	3

The quarterly financial results were reviewed by the Committee before submission to the Board. On quarterly basis, the Committee continues to review whistle-blower complaints, litigations, related party transactions and policy violation instances, the corrective actions and mitigating controls put in place thereof.

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

The Chief Financial Officer also attended the Committee meetings. The Board has accepted the recommendations of the Committee and there were no incidences of deviation from such recommendations during the financial year under review.

The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 21st September 2023.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act 2013.

The role, powers and functions of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act 2013, and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee has been constituted for identifying the persons to be appointed as Directors and Senior Management personnel, recommend to the Board - the appointment, payment of remuneration and removal of Directors, carry out evaluation of Directors, formulate the criteria for determining qualifications, positive attributes and independence of Directors, and to recommend a policy relating to the remuneration of Directors.

The Committee met 2 times during the Financial Year on 29th May 2023 and 8th February 2024. The composition and attendance of the members at the Committee Meetings held during the year are as under:

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Sri D. Rajendran (Chairman)	Non-Executive - Independent	2	2
Sri Satish Ajmera (Member)	Non-Executive - Independent	2	2
Sri Sanjay Jayavarthanavelu (Member)	Non-Executive - Non - Independent	2	1

The Committee has formulated performance evaluation criteria for the evaluation of the Chairman, the Board as a whole, Committees of the Board, Independent Directors and Non - Independent Directors. The evaluations were carried out as per the criteria determined by this Committee. The Chairman of the Nomination and Remuneration

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Committee did not attend the Annual General Meeting (“AGM”) held on 21st September, 2023, due to personal pre-occupations. A member of the Committee nominated by him attended the AGM on his behalf.

The remuneration policy of the Company can be accessed on the Company’s website at <https://www.lakshmill.com/investors/Nomination-and-Remuneration-Policy.pdf>.

PERFORMANCE EVALUATION OF NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

The Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD/ CIR/P/2017/004 dated January 5, 2017 has issued a guidance note on Board Evaluation specifying the criteria for evaluation of performance of (i) Board as a whole, (ii) individual Directors (including Independent Directors & Chairperson) and (iii) various Committees of the Board. Based on the parameters suggested, the Nomination and Remuneration Committee has adopted suitable criteria to evaluate the performance of Non- Executive Directors and Independent Directors of the Company. Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors were carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholder Relationship Committees. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance. The Directors have expressed their satisfaction with the evaluation process.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 and Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee comprises of the following three Non-Executive Directors as its members to specifically serve the grievance of the shareholders / investors. The Committee is chaired by Sri R. Santharam, Non-Executive Non-Independent Director. The Committee reviews the services rendered namely - adherence of service standards adopted by the Company in respect of services rendered by the Registrar and Share Transfer Agents, measures taken for effective exercise of voting rights by shareholders, measures to reduce the quantum of unclaimed dividends, timely receipt of dividend warrants, annual reports, notices, etc., redressal of complaints of the shareholders like delay in transfer of shares, non receipt of Annual Report, non receipt of dividends, etc., and also the action taken by the Company on such matters. The Committee met on 8th February, 2024 during the financial year ended 31st March 2024 as below.

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Sri R. Santharam (Chairman)	Non-Executive - Non - Independent	1	1
Sri Satish Ajmera (Member)	Non-Executive - Independent	1	1
Sri Vijay Venkataswamy (Member)	Non-Executive - Independent	1	-

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

The total number of complaints received and replied to the satisfaction of shareholders during the year ended on March 31, 2024, was 1. There were no complaint / query remaining pending or not solved to the satisfaction of shareholders as on 31.03.2024.



The Chairman of the Stakeholders' Relationship Committee attended the Annual General Meeting of the Company held on 21st September, 2023.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee has been formed by the members of the Board of Directors. During the year, the Committee met 21 times and approved the transmission of Shares, change of name, name deletion and the issuance of Duplicate Share Certificates and the Letter(s) of confirmation (In lieu of physical share certificate(s)) has been issued.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchange within the stipulated time.

Dividend declared for the year 2015-16 and remained unclaimed for a period of 7 years were transferred to IEPF Account and 708 Equity Shares of Rs.100/- each on which dividend had remained unclaimed for a period of 7 years has been transferred to the credit of Demat Account identified by the IEPF Authority during the year under review pursuant to Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The Company is in the process of complying with the procedural requirements specified in Regulation 39(4) read with Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Unclaimed Shares held in physical mode and the same is yet to be transferred into "Unclaimed Suspense Account".

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee. The terms of reference of this Committee, assigned by their Board encompasses:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the activities referred to in clause A.
- To monitor the CSR policy of the Company from time to time.
- Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India.

The Committee presently comprises of the following:

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Sri S. Pathy (Chairperson)	Executive - Chairman and Managing Director	1	1
Sri Aditya Krishna Pathy (Member)	Executive - Deputy Managing Director	1	1
Sri D. Rajendran (Member)	Non - Executive - Independent	1	1

The Committee met on 29th May 2023 during the financial year ended 31st March 2024. All the members were

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present at the meeting.

The Company's CSR Policy is uploaded on the website of the Company viz. <https://www.lakshnimills.com/other-information/>

ENVIRONMENT, SOCIAL AND GOVERNANCE

The reporting on Environment, Social and Governance during the year is not applicable to the Company being not in the Top 1000 companies. The Company has taken note of the impact of Environment, Social and Governance.

REMUNERATION OF DIRECTORS

The Directors' appointments are governed by the resolutions passed at the Annual General Meeting of the Company pursuant to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Remuneration paid or payable to Directors during the year 2023-24 are given below: (in Rs.)

Name of the Directors	Sitting Fees	Salary	Perquisites	Contribution to PF, Superannuation Fund & Gratuity	Total
Sri S. Pathy *	NA	95,61,667	3,60,000	16,55,816	1,15,77,483
Sri Aditya Krishna Pathy *	NA	58,74,065	2,50,000	16,71,933	77,95,998
Sri R. Santharam	1,55,000	NA	NA	NA	1,55,000
Sri D. Rajendran	1,70,000	NA	NA	NA	1,70,000
Sri Satish Ajmera	1,85,000	NA	NA	NA	1,85,000
Sri Sanjay Jayavarthanavelu	75,000	NA	NA	NA	75,000
Sri Vijay Venkataswamy	60,000	NA	NA	NA	60,000
Smt Suguna Ravichandran	1,05,000	NA	NA	NA	1,05,000

* Remuneration was paid as approved by the Shareholders.

The Managing Directors are not paid any sitting fees for attending the meetings of the Board and Committees. Non - Executive Directors are paid only sitting fees for Board / Committee Meetings attended by them.

The criteria of making payments to Non - Executive Directors are appearing on the website of the Company at <https://www.lakshnimills.com/investors/Nomination-and-Remuneration-Policy.pdf>.

No Stock options were granted/convertible instruments issued to Non-Executive Directors of the Company during the financial year ended 31st March 2024. No service contracts were entered into with Directors.

The particulars of senior management including the changes therein since the close of the previous financial year are as follows:

Name of the Senior Management Personnel	Designation	Date of Appointment	Date of Cessation, if any
Jaychander N	Chief Operating Officer	27.01.1985	
Singaravel N	Company Secretary	20.02.2013	
Doraiswamy A	Chief Financial Officer	18.03.2019	
Ravi N	Senior General Manager - Exports	20.01.1999	
Varadarajan N	Senior General Manager - Marketing	24.06.2004	
Radhakrishnan G	Senior General Manager - Kovilpatti Mills	22.03.2019	30.04.2024
Govindarajulu V	General Manager - Planning & Coordination	10.11.2000	

Name of the Senior Management Personnel	Designation	Date of Appointment	Date of Cessation, if any
Rajendran S	General Manager - Palladam Mills	04.04.2014	
Prasad K	Senior Manager - Purchase	21.09.2018	
Rajagopal B	Manager - Information & Systems	10.03.2002	
Vijayakumar R	Manager - Personnel & Ind. Relations	02.01.2019	

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report covering matters in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) for the year under review is given as separate annexure in this Annual Report.

GENERAL BODY MEETINGS

Location and time for the last three AGMs held and the special resolutions, if any, passed thereat, are as given below:

Financial Year ended	Date of Meeting	Time of Meeting	Venue of the Meeting	Special Resolutions Passed, if any
31 st March 2021	24.09.2021	12.05 P.M	Through Video conferencing (VC) / Other Audio Visual Means (OAVM) from the Registered Office of the Company	Reappointment of Sri S. Pathy as Managing Director
31 st March 2022	09.09.2022	10.20 A.M		NIL
31 st March 2023	21.09.2023	11.00 A.M		Remuneration to Sri Aditya Krishna Pathy, Deputy Managing Director

EXTRA ORDINARY GENERAL MEETING AND POSTAL BALLOT

No EGM was held during the year under review.

No Special Resolution was required to be put through postal ballot during the year under review.

As on date of this report, the Company does not foresee the need for postal ballot to pass any resolution in the financial year 2024-25.

MEANS OF COMMUNICATION

The quarterly and annual financial results are published in the Business Line (English) and Dinamani (Tamil) in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 at www.lakshimimills.com.

Quarterly Financial Results and Quarterly Shareholding Pattern are intimated to Stock Exchange periodically and also posted in the portal hosted by BSE and www.bseindia.com whenever there are any important developments, the company makes news releases and the same will be displayed in the company's website www.lakshimimills.com and also forward a copy of the same to the Stock Exchange. The Company has not made any presentations to the institutional investors or to the analysts during the year under review.

SHAREHOLDERS INFORMATION ON 114th ANNUAL GENERAL MEETING

THE LAKSHMI MILLS COMPANY LIMITED

Day, Date & Time : Monday, 9th September, 2024 - 10.30 A.M
Venue : Annual General Meeting (AGM) to be conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), pursuant to MCA and SEBI circulars without physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company - 686, Avanashi Road, Pappanaickenpalayam, Coimbatore - 641 037.

FINANCIAL CALENDAR

Financial year : 1st April, 2023 to 31st March, 2024.
Announcement of Annual Results 2023-24 : 28.05.2024
Dividend Payment Date : Not applicable
E-voting period : 06.09.2024 - 9.00 A.M to 08.09.2024 - 5.00 P.M
Date of Book Closure : Tuesday, 03.09.2024 to Monday, 09.09.2024 (both days inclusive)

LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed at : BSE Limited, Mumbai - 400 001.
BSE Limited, Stock Code : 502958
ISIN No. : INE938C01019

Listing fee for the year 2024-2025 has been paid to BSE Ltd.

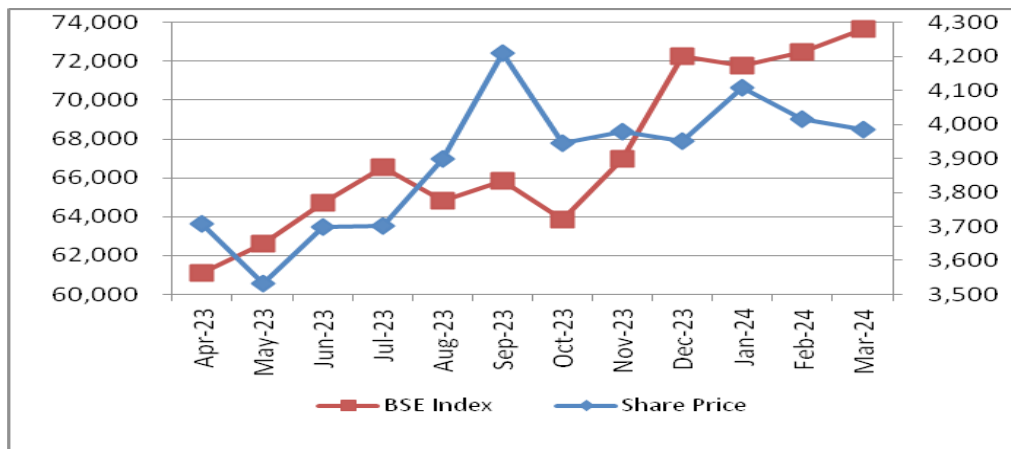
MARKET PRICE DATA

The Company's Shares were traded under permitted category in the National Stock Exchange under a tie - up arrangement made by the erstwhile Madras Stock Exchange Ltd., from November 2009 since liquidated, no trading is undertaken in the National Stock Exchange.

The Stock Price Data during the year at BSE Limited, Mumbai are given below: (in Rs.)

Month	High Price	Low Price	Month	High Price	Low Price
April - 2023	3,935.00	3,374.00	October - 2023	4,400.00	3,652.00
May - 2023	3,885.00	3,400.00	November - 2023	4,229.00	3,727.00
June - 2023	3,875.00	3,303.00	December - 2023	4,174.95	3,530.00
July - 2023	3,878.00	3,540.45	January - 2024	4,562.00	3,800.00
August - 2023	4,124.00	3,550.00	February - 2024	4,278.95	3,700.00
September - 2023	4,277.90	3,755.05	March - 2024	4,188.75	3,350.00

SHARE PERFORMANCE IN COMPARISON WITH BSE INDEX



The securities of the Company have never been suspended from trading during the year

REGISTRAR & SHARE TRANSFER/DEMAT AGENTS

M/s. Link Intime India Pvt. Ltd.,
(Erstwhile M/s. S.K.D.C. Consultants Ltd.),
“Surya”, 35, May Flower Avenue
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore - 641 028
Phone : 0422 4958995 / 2539835 - 36
Email : coimbatore@linkintime.co.in

DETAILS OF COMPLIANCE OFFICER

Sri N.Singaravel

Company Secretary
The Lakshmi Mills Company Limited
686, Avanashi Road, Coimbatore - 641 037
Phone: +91-422-2245461 - 65, 4333700, 4333914
E-Mail: csns@lakshmimills.com
secretarial@lakshmimills.com

M/s. S.K.D.C. Consultants Ltd., was amalgamated with M/s. Link Intime India Pvt. Ltd., effective from 22.12.2023 vide NCLT Order dated 18.12.2023.

In order to facilitate investor servicing, the Company has designated an e-mail-id: csns@lakshmimills.com mainly for registering complaints by investors.

SHARE TRANSFER SYSTEM

SEBI has vide circular dated 25th January 2022, prescribed procedures for processing the service requests of shareholders like transmission, issue of duplicate shares, and for conversion of the physical holding into dematerialised form through issue of Letter of Confirmation upon completion of the service request. The shares mentioned in the Letter of Confirmation issued by the Company/RTA are to be dematerialised within 120 days from the date of the Letter of Confirmation. In case of non-dematerialisation within the prescribed period as aforesaid, such shares are to be transferred to an Unclaimed Demat Suspense Escrow Account. The Company has opened a demat account in the name of “The Lakshmi Mills Company Limited Unclaimed Securities Suspense Escrow Account” in compliance with SEBI Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated December 30, 2022. No share has been credited to that account during the financial year under review.

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SHAREHOLDING PATTERN (as on 31.03.2024)

Sl. No.	Category	No. of Share holders	No. of Shares held	% to paid-up capital
1	Promoters and Promoters group	24	4,52,203	65.01
2	Insurance Companies,, Banks and Mutual Funds	11	17,762	2.55
3	Central / State Government(s)	1	5,107	0.73
4	Foreign Financial Institutions / Banks	2	81	0.01
5	Bodies Corporate	49	49,797	7.16
6	Individuals	5,001	1,39,934	20.12
7	Directors	1	7	0.00
8	IEPF	1	19,386	2.79
9	Trust	1	382	0.06
10	HUF	151	8,064	1.16
11	Non- Resident Indian	50	2,827	0.41
	Total	5,292	6,95,550	100.00

DISTRIBUTION OF SHARE HOLDING (as on 31.03.2024)

Range (No. of Shares)	No. of Shareholders	No. of Shares	% held
1 - 500	5,398	1,18,219	17.00
501 - 1000	26	18,829	2.71
1001 - 2000	6	9,203	1.32
2001 - 3000	3	7,824	1.12
3001 - 4000	1	3,563	0.51
4001 - 5000	1	4,085	0.59
5001 - 10000	6	48,078	6.91
10001 and Above	13	4,85,749	69.84
Total	5,454	6,95,550	100.00

DEMATERIALISATION OF SHARES

As on 31st March 2024, 6,63,388 equity shares constituting 95.38% of the Paid up Equity Share Capital have been dematerialized. The Promoters of the Company have completely dematerialized their shareholdings.

With effect from 1st April, 2019, the applications for transfer of shares held in physical form will not be processed by the listed entity / Registrar and Share Transfer Agent, except in case or transmission or transposition, in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

GDRs/ADRs/Warrants or any Convertible Instruments and their likely impact on equity

There are no outstanding warrants or any convertible instruments. The Company has not issued any GDR, ADR or Convertible instruments of any kind.

NOMINATION FACILITY

The Companies Act, 2013 has provided the facility of nomination for the shares of the Company. The nomination form along with instructions is provided to the Members on request.

CREDIT RATING

The Company does not have any Debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds either in India or abroad that requires Credit Rating.

PLANT LOCATIONS

The Company has 2 Plants situated at the following locations:

Unit I: Lakshmipuram P.O., Kovilpatti

Unit II: Kuppuswamynaidupuram, Palladam

ADDRESS FOR CORRESPONDENCE

All correspondence from shareholders should be addressed to the Company Secretary cum Compliance Officer.

Investors' grievances email id : csns@lakshimimills.com

DISCLOSURES

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

All the related party transactions were entered into on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Kindly refer to the notes forming part of accounts for the details of Related Party Transactions.

- b) Details of non-compliance by the company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years:

No penalty, strictures was imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to Capital Markets during the last three years.

- c) Details of establishment of vigil mechanism / Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee:

A Whistle Blower Policy is adopted by the Company to provide for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behaviour or any violation of the Company's code of conduct. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. The Audit Committee has been authorized to review the cases received under the Whistle Blower Policy of the Company and address the grievances of all the personnel in the Company. The whistle blower mechanism is in operation and no personnel have been denied access to the Audit Committee.

The Whistle Blower policy can be accessed on the Company's website at https://www.lakshimimills.com/investors/Vigil-Mechanism_Whistle-Blower-Policy.pdf

THE LAKSHMI MILLS COMPANY LIMITED

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

e) Web link where policy for determining 'material' subsidiaries is disclosed:

The Company does not have a subsidiary Company and hence the requirement of disclosing the web link of policy for determining 'material' subsidiaries is not applicable.

f) Web link where policy on dealing with related party transactions is disclosed:

The Company has framed Related Party Transaction Policy and the same is placed on the Company's website and the web link for the same is <https://www.lakshnimills.com/investors/Policy-on-Related-Party-Transactions.pdf>.

g) Disclosure of commodity price risks and commodity hedging activities:

The Company is not undertaking any commodity hedging activities; hence there is no risk of commodity hedging to the Company.

h) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee.

- | | | |
|---|---|-----|
| i. Number of complaints filed during the financial year | - | NIL |
| ii. Number of complaints disposed of during the financial year | - | NIL |
| iii. Number of complaints pending as at end of the financial year | - | NIL |

i) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL

j) Details on the compliance of non-mandatory requirements:

The Company has adopted the non-mandatory requirement relating to Reporting of internal Auditors to Audit Committee as recommended in terms of Regulation 27(1) read with Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

k) Disclosure on accounting treatment:

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

l) Disclosure on risk management:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

All the requirements of Corporate Governance Report of sub - paragraphs (2) to (10) of Schedule V has been duly complied with.

None of the discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been adopted.

The Company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and clauses (b) to (i) of Sub - Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

OTHER DISCLOSURES

- a. The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. A certificate from a Company Secretary in whole time practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Security Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.
- c. During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
- d. The Company has paid a sum of Rs. 3.01 Lakhs as fees on consolidated basis to the Statutory auditor and all entities in the network firm / entity of which the Statutory auditor is a part for all the services rendered by them.

CERTIFICATE FROM CEO / CFO

The CEO and CFO certification of the financial statements for the year has been submitted to the Board of directors, in its meeting held on 28th May 2024 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance Certificate from the Auditors' regarding compliance of conditions of Corporate Governance forms part of this Report.

CODE FOR 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.

The Company has also formulated "The Code of Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

UNCLAIMED SUSPENSE ACCOUNT

The Company is in the process of complying with the procedural requirements specified in Regulation 39(4) read with Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Unclaimed Shares held in physical mode and the same is yet to be transferred into "Unclaimed Suspense Account".

THE LAKSHMI MILLS COMPANY LIMITED

DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES - Not Applicable

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 2023-24 has been affirmed by the Chairman and Managing Director (CEO).

DECLARATION FOR CODE OF CONDUCT

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 2023-2024.

Coimbatore
28th May, 2024

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

M/s. The Lakshmi Mills Company Limited

CIN: L17111TZ1910PLC000093

686, Avanashi Road

Coimbatore - 641037

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. THE LAKSHMI MILLS COMPANY LIMITED having CIN:L17111TZ1910PLC000093 and having registered office at 686, Avanashi Road, Coimbatore - 641037 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment in Company
1	Mr. Sundaram Pathy (Chairman & Managing Director)	00013899	27/09/1995
2	Mr. Rangaswamy Santharam	00151333	27/03/2002
3	Mr. Damotharan Rajendran	00003848	14/12/2005
4	Mr. Satish Ajmera	00208919	26/05/2010
5	Mr. Sanjay Jayavarthanavelu	00004505	30/07/2010
6	Mrs. Suguna Ravichandran	00170190	11/02/2015
7	Mr. Aditya Krishna Pathy (Deputy Managing Director)	00062224	11/06/2009
8	Mr. Vijay Venkataswamy	00002906	14/02/2018

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MDS & Associates LLP

Company Secretaries

M D SELVARAJ

Managing Partner

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

Peer Review No. 3030/2023

UDIN: F000960F000441521

Place: Coimbatore

Date : 28.05.2024

THE LAKSHMI MILLS COMPANY LIMITED

Independent Auditors' Certificate on Corporate Governance

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 ('the Company') for the year ended March 31, 2024 as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI Listing Regulations').

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the company in accordance with the Guidance Note on certification of Corporate Governance (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"), the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI"), which requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI").

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and to the best of our information and according to the explanations given to us and the representation provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as specified in the aforesaid relevant Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable during the year ended 31st March 2024.

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

For M/s Subbachar & Srinivasan
Chartered Accountants
Firm Registration No.004083S

Coimbatore
28th May, 2024

(T.S.V.RAJAGOPAL)
Membership No. 200380
UDIN:24200380BKCFBP2481

Independent Auditor's Report

To the Members of The Lakshmi Mills Company Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of THE LAKSHMI MILLS COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement and for the year then ended and notes to the financial statements including a summary of the material accounting policies and other accounting policies and other explanatory information (hereinafter referred to as the 'standalone financial statements').

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 Companies Act, 2013 ["the Act"], in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its LOSS and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone financial statements section of our report, including in relation to these matters.

THE LAKSHMI MILLS COMPANY LIMITED

S. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1	<p>Evaluation of uncertain tax positions (Refer Note No. 30 to the standalone financial statements).</p> <p>The Company has uncertain tax positions of Rs. 1031.79 Lakhs including matters under dispute which involves significant judgment to determine the possible outcome of these disputes as on the balance sheet date.</p> <p>The Company assesses the need to make a provision or disclose a contingency on a case-to-case basis considering the underlying facts of each matter, in consultation with its legal advisors. This involves a high level of management judgment and assumptions which impact the risk assessment and consequential provisioning and disclosure of contingencies in the financial statements. This area is significant to our audit, since the completeness and accuracy of accounting and disclosures for contingencies is dependent on such management judgment and assumptions.</p>	<p>Principal Audit Procedures</p> <p>We obtained details of the completed tax assessments and demands and the statutory appeals preferred by the Company before appropriate appellate forums.</p> <p>We evaluated and tested the Company's processes and controls for monitoring of litigations, disputes, compliances and assessment thereof for determining the likely outcome of disputes.</p> <p>We reviewed the summary of the litigations obtained from the management and discussed the material cases to determine the Company's assessment of the likelihood and magnitude of any liability that may arise.</p> <p>We analysed the management's underlying assumptions and grounds in estimating the tax provision and the possible outcome of the disputes at appellate forums.</p> <p>We considered legal precedents, other rulings and legal opinions obtained by the management in evaluating the management's judgments and assumptions on these uncertain tax positions. Additionally, we considered the effect of new information, if any, in respect of material uncertain tax positions and other uncertain position of the tax dues under dispute, to evaluate whether any change was required to management's position on these uncertainties.</p> <p>We tested the adequacy of disclosures in the financial statements. We also obtained necessary representations from the management in regard to the provisioning and disclosures in respect of the litigations.</p>
2	<p>Recoverability of Income tax assets and Receivables from Government authorities (Refer Note 8 & 6A to the standalone financial statements)</p> <p>As at March 31, 2024 non-current assets in respect of Income tax assets to the extent of Rs.263.27 lakhs (Net of provisions), current tax assets to the extent of Rs. 217.02 Lakhs (Net of provisions) and balances with revenue authorities to the extent of Rs. 4.86 Lakhs are outstanding.</p> <p>This area is significant to our audit, since the completeness and accuracy of accounting and disclosures for determining the recoverability of these items.</p>	<p>Principal Audit Procedures</p> <p>We analysed and reviewed the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p> <p>The income tax assets represents tax deducted at source, the taxes paid in advance and taxes paid towards disputed dues.</p> <p>The balances with revenue authorities represent input tax credits eligible for set off. We considered legal precedents, other rulings and legal opinions obtained by the management and the management's representations in this regard, in evaluating the management's judgments and assumptions on the recoverability / set off of these balances with revenue authorities.</p>

S. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
3	<p>Trade receivables and expected credit loss: (Refer Note 10 to the standalone financial statements).</p> <p>The trade receivables as at March 31, 2024 is Rs. 2236.17 Lakhs and provision for expected credit loss of Rs. 271.37 Lakhs.</p> <p>The provision for the expected credit losses involves certain judgment with respect to the assessment of probabilities of default and recovery.</p> <p>We have considered assessment of expected credit loss for receivables as a key audit matter because of the significant management judgement involved in its estimation and provision.</p>	<p>Principal Audit procedures</p> <p>We assessed the appropriateness of the accounting policy for expected credit loss as per the relevant accounting standards.</p> <p>We obtained an understanding of and assessed the design, implementation and operating effectiveness of key controls relating to collection monitoring process, credit control process and estimation of expected credit losses.</p> <p>We tested the controls relating to classification of the receivable balances included in the receivables ageing report.</p> <p>We reviewed the ageing, tested the validity of the receivables, discussed with the management on the disputes, if any, with the customers, understood and evaluated the reason for delay in realization of the receivables and possibility of realization of the aged receivable.</p> <p>We assessed the methodology used by management to estimate the expected credit loss provision and its compliance with the relevant accounting standard.</p> <p>We assessed the reasonableness of estimate of expected credit loss and performed procedures relating to the accuracy of the inputs used.</p> <p>We assessed the adequacy of disclosures relating to trade receivables and related credit risk.</p>
4	<p>Assessment of carrying value of Investments [Refer Statement of Changes to Equity and Note No.5 to the standalone financial statements]</p> <p>The Company has invested in equity instruments that are stated at fair values through OCI and the cumulative fair value changes through OCI (net of deferred taxes) is Rs. 74,048.65 Lakhs as on March 31, 2024. In line with general market fluctuations, there are significant fair value changes in these investments. The evaluation of their fair values is considered as a key audit matter given the relative significance of the value of investments and the fluctuations in their fair values.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures in relation to assessing the carrying value of these investments include ascertaining from relevant appropriate external sources that the equity instruments are carried at fair value as on 31st March 2024.</p>

THE LAKSHMI MILLS COMPANY LIMITED

S. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
5	<p>Assessing the recoverability of the carrying value of Investment property including investment properties under construction</p> <p>[Refer Note No.4 to the standalone financial statements]</p> <p>As at 31st March 2024, the carrying value of the Investment Property is Rs. 17,710.90 Lakhs and carrying value of Investment Property under construction is Rs. 35.40 Lakhs. The Company reviews on an annual basis such carrying values for any indicators of impairment to ensure that the Investment Properties are not carried at more than their recoverable amount.</p> <p>We considered the assessment of the carrying value of Investment Property as a key audit matter due to the significance of the balance and significant estimates and judgments involved in the impairment assessment and disclosure of fair values.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included, among other things the following:</p> <p>We assessed the Company's valuation methodology and assumptions based on current economic and market conditions in determining the recoverable amount.</p> <p>We obtained and read the valuation report used by the Company's management for determining the fair value ('recoverable amount') of the investment property.</p> <p>We considered the independence, competence and objectivity of the external specialist involved by the management in determination of valuation.</p> <p>We assessed the Company's valuation methodology applied and compared key property related data used as input with historical actual data.</p> <p>We assessed the key assumptions used in Company's valuation methodology.</p> <p>We compared the recoverable amount of the investment property to the carrying value in books.</p> <p>We assessed the disclosures made in the financial statements in this regard.</p>

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance 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 of these standalone financial statements that give a true and

fair view of the financial position, financial performance (including Other Comprehensive Income), Changes in Equity of the Company and its cash flows in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

THE LAKSHMI MILLS COMPANY LIMITED

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash flows 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015;
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2024 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B" and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Companies Act, 2013. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- h) With respect to the other matters to be included in the auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No. 30 to the standalone financial statements.
- ii. The Company does not have any long-term contracts including derivative contracts on which provision for material foreseeable losses is required to be made under any law or accounting standards;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, where applicable, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, where applicable, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v.
 - a) The dividend proposed for the previous financial year, declared and paid by the Company during the current financial year is in accordance with Sec. 123 of the Act, as applicable.
 - b) The Board of Directors of the Company have not proposed any dividend for the year ended March 31, 2024 and hence reporting whether the dividend proposed is in accordance with section 123 of the Act, does not arise.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, except for standalone external software used for human resource management which is non-editable at database level. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Accounts) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For M/s Subbachar & Srinivasan
Chartered Accountants
Firm Registration No.004083S
(T.S.V.RAJAGOPAL)
Membership No. 200380
UDIN:24200380BKCFBN3516

Coimbatore
28th May, 2024

THE LAKSHMI MILLS COMPANY LIMITED

Annexure “A” to the Independent Auditor’s Report

(Referred to in Paragraph 1 under “Report on Other legal and regulatory requirements” section of our report to the members of THE LAKSHMI MILLS COMPANY LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we report that:

- 1) In respect of its Property, Plant and Equipment, Intangible Assets and Investment Property:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Intangible Assets and Investment Property.
 - b) The Company has a program of physical verification of Property, Plant and Equipment, and Investment Property, so as to cover all the assets once in every three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment and Investment Property. Pursuant to the program, certain Property, Plant and Equipment and Investment Property were physically verified by the management during the year. According to the information and explanations given to us during the course of the audit no material discrepancies were noticed on such verification.
 - c) Based on our examination of relevant records and on the basis of information and explanations given to us, we report that the title deeds of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment, Intangible Assets (where applicable) and Investment Property are held in the name of the Company as at the balance sheet date.
 - d) The Company has not revalued any of its Property, Plant and Equipment, Intangible Assets and Investment Property during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 2) In respect of its inventories:
 - a. As explained to us, physical verification of inventories, except goods in transit, has been conducted at reasonable intervals by the management during the year.
 - b. In our opinion and according to the information and explanations given to us during the course of the audit, the coverage and procedure for such 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 for its inventories and no material discrepancies were noticed on physical verification in any class of inventories as compared to the book records.
 - d. According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 Crores, in aggregate, during the year from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of accounts of the Company of the respective quarters, except for the following:

STOCK				(Rs. in lakhs)
Quarters	Figures as per Books of Accounts (A)	Figures furnished to the Bank (B)	Difference (B-A)	Nature of difference & Remarks
Q1	3,966.62	4,149.12	182.50	Differences due to submission of estimated figures to bank reviewed and adjusted during limited review / audit.
Q2	4,022.04	4,300.25	278.21	
Q3	3,614.48	3,868.46	253.98	
Q4	3,297.66	3,537.80	240.14	

TRADE RECEIVABLES				(Rs. in lakhs)
Quarters	Figures as per Books of Accounts (A)	Figures furnished to the Bank (B)	Difference (B-A)	Nature of difference & Remarks
Q1	2,766.57	3,035.15	268.58	Differences due to submission of estimated figures to bank reviewed and adjusted during limited review / audit.
Q2	1,903.60	2,092.59	188.99	
Q3	2,155.66	2,359.72	204.06	
Q4	2,236.17	2,435.82	199.65	

- 3) Based on our audit procedures and according to information and explanations given to us, the company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties, during the year. The Company has made investments in companies during the year and with respect to paragraph 3(iii)(b) of the Order the investments made during the year are, prima facie, not prejudicial to the Company's interest.
- 4) Based on our audit procedures and according to information and explanations given to us, as the Company has not granted any loans or provided any guarantees of securities, compliance with Section 185 of the Act is not applicable. In respect of investments made, the Company has complied with the provisions of Section 186 of the Act.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits from the public or amounts which are deemed to be deposits during the year to which directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act are applicable and as such Paragraph 3(v) of the Order is not applicable.
- 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 during the course of the audit and on the basis of our examination of the records of the company in respect of the statutory dues:
 - a. The Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State insurance, Income Tax, Sales Tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us during the course of the audit, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2024 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us during the course of the audit, the details of disputed statutory dues that have not been deposited on account of dispute is as under:

THE LAKSHMI MILLS COMPANY LIMITED

Name of the Statute	Nature of the dues	Amount [Rs. in lakhs]	Amount paid / adjusted [Rs in lakhs]	Period to which the amount relates	Forum where dispute is pending
Central Excise / Service Tax	Rebate claim	48.63	4.86	April 2015 to March 2017	Commissioner of GST and Central Excise (Appeals)
Income tax	Income tax	34.54	14.57	A Y 2014-15	CIT(Appeals)-NFAC
		851.11	85.11	A Y 2013-14	CIT(Appeals)-NFAC
		97.51	---	A Y 2018-19	AO - Rectification petition

- 8) Based on our audit procedures and as per the information and explanations given by the management, during the year there were no transactions not recorded in the books of account that have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 and hence paragraph 3(viii) of the Order is not applicable.
- 9) a) In our opinion and according to the information and explanations given to us during the course of the audit, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender including banks, financial institutions and government.
- b) According to the information and explanations given to us during the course of the audit and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the explanations given to us during the course of the audit and based on the audit procedures performed, term loans availed by the Company during the year have been applied for the purpose for which they were obtained.
- d) According to the information and explanations given to us during the course of the audit and the audit procedures performed by us, and on an overall examination of the financial statements of the Company, funds raised on short term basis, prima facie, have not been used during the year for long term purposes by the Company.
- e) The Company does not have any subsidiaries, associates or joint ventures and hence reporting on the funds taken by the Company from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures is not applicable.
- f) The Company does not have any subsidiaries, associates or joint ventures and hence reporting on the loans raised by the Company during the year on the pledge of securities held in its subsidiaries, associates or joint ventures is not applicable.
- 10) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under paragraph 3(x) (b) of the Order is not applicable.
- 11) (a) To the best of our knowledge and belief and according to the information and explanations given to us during the course of the audit no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge and belief and according to the information and explanations given to us during the course of the audit, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.

(c) According to information and explanations given to us and as represented to us by the management and on the basis of our audit procedures there were no whistle blower complaints received by the company during the year.

- 12) The Company is not a Nidhi Company and hence reporting under sub clauses (a) to (c) of paragraph 3(xii) of the Order is not applicable.
- 13) In our opinion and according to the information and explanations provided to us and based on our examination of the records of the company, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties undertaken during the year and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards
- 14) a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 15) According to the information and explanations given to us during the course of the audit the Company has not entered into non-cash transactions with directors or persons connected with its directors during the year and hence provisions of section 192 of the Companies Act 2013 are not applicable and accordingly paragraph 3(xv) of the Order is not applicable.
- 16) a) According to the information and explanations given to us during the course of the audit and on the basis of our examination of the financial statements of the company in our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
b) In our opinion on the basis of our examination of the financial statements and representations made by the company it has not conducted any Non-Banking Financial or Housing Finance activities during the year.
c) According to the information and explanations given to us during the course of the audit and on the basis of our examination of the financial statements of the company and representations made by the company, in our opinion the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
d) According to the information and explanations given to us during the course of the audit and as represented to us by the company in our opinion, there is no core investment company within Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Paragraph 3(xvii) of the Order is not applicable.
- 17) The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 18) There has been no resignation of Statutory Auditors of the Company during the year and accordingly reporting under Paragraph 3(xviii) is not applicable.
- 19) According to the information and explanations given to us during the course of the audit and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee

THE LAKSHMI MILLS COMPANY LIMITED

nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- 20) As per information and explanations given to us during the course of the audit and based on our examination of the records of the company, the company is not liable under Sec. 135 of the Companies Act, 2013 to contribute any amount towards Corporate Social Responsibility (CSR) and hence reporting under Paragraph 3(xx)(a) and 3(xx)(b) of the Order regarding transfer of unspent amounts towards Corporate Social Responsibility (CSR) under the provisions of sub-section (5) of Section 135 or sub-section (6) of Section 135 of the Companies Act, 2013 is not applicable.
- 21) The company is not required to prepare consolidated financial statements and hence Paragraph 3(xxi) of the Order regarding qualifications or adverse remarks by the auditors of the companies included in the consolidated financial statements is not applicable.

Coimbatore
28th May, 2024

For M/s Subbachar & Srinivasan
Chartered Accountants
Firm Registration No.004083S
(T.S.V.RAJAGOPAL)
Membership No. 200380
UDIN: 24200380BKCFBN3516

Annexure “B” to the Independent Auditor’s Report

(Referred to in Paragraph 2(f) under “Report on Other legal and regulatory requirements” section of our report to the members of THE LAKSHMI MILLS COMPANY LIMITED of even date).

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

We have audited the internal financial controls over financial reporting of THE LAKSHMI MILLS COMPANY LIMITED as of 31st March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an

audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s Subbachar & Srinivasan
Chartered Accountants
Firm Registration No.004083S
(T.S.V.RAJAGOPAL)
Membership No. 200380
UDIN:24200380BKCFBN3516

Coimbatore
28th May, 2024

THE LAKSHMI MILLS COMPANY LIMITED

Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	31.03.2024	31.03.2023
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	3	5,994.91	4,520.53
(b) Capital work-in-progress	3	159.05	4,527.18
(c) Investment Property	4	17,710.90	12,414.33
(d) Intangible Assets	3	16.36	22.31
(e) Financial Assets			
(i) Investments	5	80,158.54	52,608.32
(ii) Loans	6	60.04	64.38
(iii) Other Financial Assets	7	804.49	762.08
(g) Other Non-Current Assets	8	317.06	671.40
Total Non - Current Assets		1,05,221.35	75,590.53
2 Current Assets			
(a) Inventories	9	3,297.66	4,811.04
(b) Financial Assets			
(i) Trade Receivables	10	2,236.17	1,285.36
(ii) Cash and cash equivalents	11	54.08	9.34
(iii) Bank balances other than (ii) above	11	329.31	96.67
(iv) Loans	6	10.56	-
(c) Current Tax Assets (net)	6A	217.02	101.92
(d) Other Current Assets	8	319.54	259.50
Total Current Assets		6,464.34	6,563.83
Total Assets		1,11,685.69	82,154.36
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	695.55	695.55
(b) Other Equity	13	86,174.84	63,407.08
Total Equity		86,870.39	64,102.63
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	7,386.39	4,720.73
(ii) Other Financial Liabilities	17	997.81	905.21
(b) Provisions	15	463.46	418.80
(c) Deferred Tax Liabilities (net)	26	3,434.41	906.84
(d) Other Non-Current Liabilities	18	1,426.92	1,415.07
Total Non - Current Liabilities		13,708.99	8,366.65



Balance Sheet as at March 31, 2024

		(₹ in Lakhs)	
Particulars	Note No.	31.03.2024	31.03.2023
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	6,619.87	6,305.84
(ii) Trade Payables	16		
Total outstanding dues of micro enterprises and small enterprises		27.23	12.87
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,945.13	2,087.72
(iii) Other Financial Liabilities	17	58.00	45.49
(b) Other Current Liabilities	18	1,327.61	1,125.07
(c) Provisions	15	128.47	108.09
(d) Current Tax Liabilities (net)	6A	-	-
Total Current Liabilities		11,106.31	9,685.08
Total Liabilities		24,815.30	18,051.73
Total Equity and Liabilities		1,11,685.69	82,154.36

See accompanying notes to the financial statements 1-34

For and on behalf of the Board		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	
S. Pathy	R. Santharam		
Chairman & Managing Director	Vice Chairman		
DIN: 00013899	DIN: 00151333		
Place : Coimbatore	N. Singaravel	A.Doraiswamy	
Date : 28 th May 2024	Company Secretary	Chief Financial Officer	

THE LAKSHMI MILLS COMPANY LIMITED

Statement of Profit and Loss for the year ended March 31, 2024

				(₹ in Lakhs)
	Particulars	Note No.	31.03.2024	31.03.2023
I	Revenue from Operations	19	25,296.90	24,040.40
II	Other Income	20	804.14	404.77
III	Total Income		26,101.04	24,445.17
IV	EXPENSES			
	Cost of materials consumed	21.a	12,363.97	11,499.42
	Purchases of Stock-in-trade	21.b	2,118.02	3,426.00
	Changes in stock of finished goods, work-in-progress and stock-in-trade	21.c	921.01	(32.05)
	Employee benefit expense	22	3,975.30	3,561.83
	Finance costs	23	1,112.87	730.98
	Depreciation and amortisation expense	24	1,842.81	822.97
	Power and Fuel charges		3,572.31	2,749.44
	Other expenses	24 A	2,384.68	2,460.45
	Total Expenses		28,290.97	25,219.04
	Profit before exceptional item and tax		(2,189.93)	(773.87)
	Exceptional items	25	169.06	96.01
V	Profit before tax after exceptional item		(2,020.87)	(677.86)
VI	Tax expense	26		
	Current tax		-	-
	Deferred tax		(641.58)	(176.66)
	Total tax		(641.58)	(176.66)
VII	Profit after tax for the year		(1,379.29)	(501.20)
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to the statement of profit or loss			
	(a) Remeasurement of employee defined benefit plans		(51.59)	26.53
	(b) Income tax on (a) above		15.02	(3.93)
	(c) Changes in fair value of equity instruments at FVOCI		27,430.39	1,839.58
	(d) Income tax on (c) above		(3,184.17)	(218.40)
	Total Other Comprehensive Income		24,209.65	1,643.78
	Total Comprehensive Income for the year		22,830.36	1,142.58
IX	Earnings per Equity Share of ₹ 100/-			
	Basic (in ₹)	28	(198.30)	(72.06)
	Diluted (in ₹)	28	(198.30)	(72.06)
	Weighted average number of equity shares used in computing EPS	28	6,95,550	6,95,550

See accompanying notes to the financial statements 1-34

For and on behalf of the Board		In terms of our report of even date	
S. Pathy	R. Santharam	For Subbachar & Srinivasan	
Chairman & Managing Director	Vice Chairman	Firm Registration No. 004083S	
DIN: 00013899	DIN: 00151333	Chartered Accountants	
		T.S.V.Rajagopal	
Place : Coimbatore	N. Singaravel	A.Doraiswamy	Partner
Date : 28 th May 2024	Company Secretary	Chief Financial Officer	Membership No. 200380



Statement of Cash Flow for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(2,020.87)	(677.86)
Adjustments for:		
Depreciation and amortisation expense	1,842.81	822.97
Provision for impairment in the value of unquoted investments	(169.06)	(96.01)
Allowance for doubtful receivables	4.94	7.52
Net loss/(gain) on disposal of property, plant and equipment	(86.73)	(16.95)
Interest income	(72.53)	(55.63)
Dividend income	(515.50)	(211.30)
Net unrealised exchange loss/(gain)	(66.24)	(81.51)
Interest expense	1,112.87	730.98
Operating profit before working capital changes	29.69	422.21
Adjustments for (increase)/decrease in operating assets:		
Inventories	1,513.38	745.21
Trade receivables	(889.51)	2,029.71
Loans - Current	(10.56)	-
Other current assets	(16.10)	67.45
Loans - Non current	4.34	(24.41)
Other non-current assets	398.80	119.32
Adjustments for increase/(decrease) in operating liabilities:		
Other non-current financial liabilities	92.60	(530.40)
Other non-current liabilities	(130.06)	1,353.30
Trade payables	871.77	263.32
Provisions	13.45	33.80
Other financial liabilities	(444.29)	(85.43)
Other current liabilities	344.45	(55.27)
Cash used in / generated from operations	1,777.96	4,338.81
Net income tax (paid) / refunds	(198.07)	(564.65)
Net cash flow from operating activities (A)	1,579.89	3,774.16
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment (including capital advances)	(4,280.57)	(6,020.68)
Investments in Shares	(508.41)	(257.20)
Proceeds from sale of shares - Exceptional item	407.18	-
Proceeds from sale of Property, Plant and Equipment	278.09	285.86
Bank balances not considered as cash and cash equivalents	(236.54)	76.39
Dividend income	515.50	211.30
Interest received	28.58	55.63
Net cash used in investing activities (B)	(3,796.17)	(5,648.70)

THE LAKSHMI MILLS COMPANY LIMITED

Statement of Cash Flow for the year ended March 31, 2024

	(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	4,083.98	3,944.95
Repayment of long term borrowings	(959.88)	(1,131.48)
Proceeds from short term borrowings (net)	314.03	(37.39)
Finance costs	(1,112.87)	(732.28)
Dividends paid	(61.76)	(170.46)
Transfer of unclaimed dividend to IEPF	(2.48)	(3.88)
Net cash flow used in financing activities (C)	2,261.02	1,869.46
Net increase in Cash and cash equivalents (A+B+C)	44.74	(5.08)
Cash and cash equivalents at the beginning of the year (refer note 11)	9.34	14.42
Cash and cash equivalents at the end of the year (refer note 11)	54.08	9.34

See accompanying notes to the financial statements 1-34

For and on behalf of the Board		In terms of our report of even date	
S. Pathy	R. Santharam	For Subbachar & Srinivasan	
Chairman & Managing Director	Vice Chairman	Firm Registration No. 0040835	
DIN: 00013899	DIN: 00151333	Chartered Accountants	
		T.S.V.Rajagopal	
Place : Coimbatore	N. Singaravel	A.Doraiswamy	Partner
Date : 28 th May 2024	Company Secretary	Chief Financial Officer	Membership No. 200380

Statement of Changes in Equity for the year ended March 31, 2024

A. Equity Share Capital

1) For the year ended 31 st March 2024					
	Balance as at 1 st April 2023	Changes in equity share capital due to prior period errors	Restated balance as at 1 st April 2023	Changes in equity share capital during the year	Balance as at 31 st March 2024
	695.55	-	695.55	-	695.55

2) For the year ended 31 st March 2023					
	Balance as at 1 st April 2022	Changes in equity share capital due to prior period errors	Restated balance as at 1 st April 2022	Changes in equity share capital during the year	Balance as at 31 st March 2023
	695.55	-	695.55	-	695.55

B. Other Equity -

1) For the year ended 31st March, 2024

Particulars	Reserves and surplus					Other Com- prehensive Income	Total Other Equity
	Capital Reserve	General Reserve	Securities Premium reserve	Retained earnings	Remea- surement of defined benefit obligations	FVOCI - Equity instruments	
Balance as at 1 st April 2023	9.00	1,391.57	101.89	12,412.71	(310.52)	49,802.43	63,407.08
Changes in accounting policy and prior period errors	-	-	-	-	-	-	-
Restated balance as at 1 st April 2023	9.00	1,391.57	101.89	12,412.71	(310.52)	49,802.43	63,407.08
Profit for the year	-	-	-	(1,379.29)	-	-	(1,379.29)
Other Comprehensive income	-	-	-	-	-	-	-
Remeasurement of post employment defined benefit obligations	-	-	-	-	(36.57)	-	(36.57)
Fair value changes of equity instruments [Net of Taxes]	-	-	-	-	-	24,246.22	24,246.22
Total Comprehensive Income	-	-	-	(1,379.29)	(36.57)	24,246.22	22,830.36
Dividends paid	-	-	-	(62.60)	-	-	(62.60)
Appropriations	-	-	-	-	-	-	-
Balance as at March 31, 2024	9.00	1,391.57	101.89	10,970.82	(347.09)	74,048.65	86,174.84

THE LAKSHMI MILLS COMPANY LIMITED

2) For the year ended 31st March, 2023

Particulars	Reserves and surplus					Other Comprehensive Income	Total Other Equity
	Capital Reserve	General Reserve	Securities Premium reserve	Retained earnings	Remeasurement of defined benefit obligations	FVOCI - Equity instruments	
Balance as at 1 st April 2022	9.00	1,391.57	101.89	13,087.79	(333.12)	48,181.25	62,438.38
Changes in accounting policy and prior period errors	-	-	-	-	-	-	-
Restated balance as at 1 st April 2022	9.00	1,391.57	101.89	13,087.79	(333.12)	48,181.25	62,438.38
Profit for the year	-	-	-	(501.20)	-	-	(501.20)
Other Comprehensive income	-	-	-	-	-	-	-
Remeasurement of post employment defined benefit obligations	-	-	-	-	22.60	-	22.60
Fair value changes of equity instruments [Net of Taxes]	-	-	-	-	-	1,621.18	1,621.18
Total Comprehensive Income	-	-	-	(501.20)	22.60	1,621.18	1,142.58
Dividends paid	-	-	-	(173.88)	-	-	(173.88)
Appropriations	-	-	-	-	-	-	-
Balance as at March 31, 2023	9.00	1,391.57	101.89	12,412.71	(310.52)	49,802.43	63,407.08

Note:

Securities Premium - Securities premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve represents the realised capital profits of earlier years.

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

Retained earnings comprise the Company's cumulative earnings since its formation minus the dividends/capitalisation and earnings transferred to general reserve.

Remeasurement of net defined benefit liability/asset represents the net effect of actuarial gain or loss in the measurement of defined benefit obligations.

Other Comprehensive Income: The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised..

See accompanying notes to the financial statements 1-34

For and on behalf of the Board		In terms of our report of even date	
S. Pathy	R. Santharam	For Subbachar & Srinivasan	
Chairman & Managing Director	Vice Chairman	Firm Registration No. 004083S	
DIN: 00013899	DIN: 00151333	Chartered Accountants	
		T.S.V.Rajagopal	
		Partner	
Place : Coimbatore	N. Singaravel	A.Doraiswamy	
Date : 28 th May 2024	Company Secretary	Chief Financial Officer	Membership No. 200380

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

1 CORPORATE INFORMATION

The Lakshmi Mills Company Limited, (“the Company”), is a public company domiciled in India and incorporated under the provisions of The Companies Act, 1882. Its shares are listed in BSE Limited, Mumbai. The Company is engaged in the manufacture of Yarn and trading in cloth and garments and rental services of letting out properties. The Company caters to both domestic and international markets.

1A STATEMENT OF COMPLIANCE

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015. The presentation of the financial statements is based on the requirements of the relevant provisions of the Act.

2 (i) RECENT ACCOUNTING DEVELOPMENTS AND CHANGES IN ACCOUNTING STANDARDS

The following amendments to the Indian Accounting Standards were applicable from the financial year commencing from 1st April 2023 read with the clarifications / guidances relating thereto:

(i) Ind AS 1-Presentation of Financial Statements & Ind AS 34-Interim Financial Reporting- Material Accounting Policy Information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of the financial statements.

(ii) Ind AS 8- Accounting Policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.

(iii) Ind AS 12-Income Taxes-In case of a transaction which gives rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no

longer applicable and deferred tax liability & deferred tax asset shall be recognised on gross basis for such cases.

(iv) Ind AS 101-First time adoption of Ind AS-Deferred tax assets and deferred tax liabilities to be recognised for all temporary differences associated with right-of-use assets, lease liabilities, decommissioning / restoration / similar liabilities.

(v) Ind AS 107-Financial Instruments: Disclosures-Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

None of the above amendments had any material effect on the company’s financial statements, except for disclosure of Material Accounting Policies instead of Significant Accounting Policies in the financial statements

(ii) Changes in Accounting Standards that may affect the Company after 31st March 2024

New Accounting Standards / Recent Accounting pronouncements not yet effective

The Ministry of Corporate Affairs (“MCA”) notifies new Indian Accounting Standards or amendments to existing Indian Accounting Standards under the Companies (Indian Accounting Standards) Rules from time to time. During the year ended 31st March 2024, the MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2A BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

Functional and presentation currency

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

THE LAKSHMI MILLS COMPANY LIMITED

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below

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

Operating Cycle

All assets and liabilities have been classified as current or non-current according to the Company's normal operating cycle and other criteria set out in the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Going Concern

The board of directors have considered the financial position of the Company at 31st March, 2024 and projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2B USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies, the Company is required to make

judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

The accounting policies which have the most material effect on the figures disclosed in the financial statements are mentioned below and these should be read in conjunction with the disclosure of the material Ind AS accounting policies provided below:

(i) Useful life of Property, Plant and Equipment and Intangible assets and depreciation

The assessment of the useful life of each asset by considering the historical experience and expectations regarding future operations and expected usage, estimated technical obsolescence, residual value, physical wear and tear, the operating environment in which the asset is located and providing for depreciation thereon needs significant judgement by the management. In case of intangible assets the useful life is determined based on the period

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

over which future economic benefit will flow to the Company.

(ii) Income Tax & Deferred Tax

The calculation of income taxes requires judgment in interpreting tax rules and regulations. Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognised. The Company estimates the possible utilisation of unabsorbed losses while recognising deferred tax asset considering the future business plans and economic environment.

(iii) Measurement of defined benefit obligations

Gratuity actuarial valuation considers various assumptions which are based on the past experience and general economic conditions

(iv) Expected Credit Loss (ECL) on financial assets

Providing for impairment on financial assets on the Expected Credit Loss (ECL) model involves using a provision matrix based on historically observed default rates over expected life of trade receivables and has to be adjusted for forward looking estimates, review of such default rates, considering the credit reports and other credit information of the customers

(v) Net realisable value of Inventory

Determining the net realisable value of Inventory after providing for obsolescence and other losses where considered necessary involves ascertaining events and effects of events after the close of the year.

2C MATERIAL ACCOUNTING POLICIES

1 Revenue Recognition

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional

Sale of goods and services

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as GST or other taxes directly linked to sales.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred. Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount on initial recognition.

THE LAKSHMI MILLS COMPANY LIMITED

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Government grants

Government grants (including export incentives) are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured at the difference between proceeds received and the fair value of the loan based on prevailing market rates.

The Company has applied Ind AS 109 'Financial Instruments' and Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance' prospectively to government loans existing at the date of transition and the Company has not recognised the corresponding benefit of the government loans at the below-market rate of interest as a government grant. Consequently, the Company has used the previous GAAP carrying amounts of the government loans at the date of transition as the carrying amount of these loans in the opening Ind AS Balance Sheet.

2 Property, plant and equipment

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

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its

intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of Property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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

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

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

3 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. The

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

cost of Investment property includes the cost of replacing parts and borrowing costs if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. The fair value of investment property is disclosed in the notes. Fair values are determined based on evaluation performed by accredited external independent valuers.

Depreciation on Buildings and other equipment has been provided on written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013

4 Leases

Arrangements in the nature of Lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising therefrom is accounted for on a straight-line basis over the lease terms.

In respect of finance leases, the company recognizes a financial asset (net investment in lease) measured at the present value of the lease rental receivables that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Company subsequently measures finance income

over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease.

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

5 Inventories

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

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

Raw Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Work in progress and finished goods are valued at cost or Net Realisable Value whichever is lower. Saleable scrap is valued at the net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

6 Impairment of tangible and intangible assets

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

THE LAKSHMI MILLS COMPANY LIMITED

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

The assets under Capital Work-in-Progress did not have any impairment during the year

7 Financial instruments

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

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss. Subsequently, financial instruments are measured according to the category in which they are classified.

a) Non-derivative Financial assets:

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

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

Financial assets at amortised cost

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

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

Financial assets measured at Fair Value through Other Comprehensive Income (FVTOCI)

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

- a) the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

instrument and of allocating interest income over the relevant period. The effective interest rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL/FVTOCI. Interest income is recognised in profit or loss and is included in the "Other income" line item.

b) Derecognition of financial assets:

A financial asset is derecognised only when the:

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

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

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

c) Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss.

d) Investments

The Company measures investments in quoted equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

At the date of transition to Ind AS, the Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

Fair value of unquoted instrument has been valued at the book values of that Company based on Level 2 input. In respect of investment in equity share capital of captive power companies which are made to comply with the provisions of Electricity Rules 2003, these investments are carried at cost as these investments can be sold back only at par.

The Company assesses impairment based on Expected Credit Losses (ECL) model to the following :

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income\Expected credit loss are measured through a loss allowance at an

THE LAKSHMI MILLS COMPANY LIMITED

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to life time expected credit losses.

f) Financial liabilities:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurment recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/Other expenses' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent

accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

Derecognition of financial liabilities

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

Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

of a new financial liability. The difference between the carrying amount of the financial liability, derecognized and the consideration paid and payable is recognized in profit or loss.

8 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM) as per Ind AS 108. The Company is 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 service consist of letting out of properties. The Company has restructured its verticals and accordingly, as required by accounting standards, comparatives have been restated and presented in line with the current segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM. Geographic information is based on business sources from that geographic region. Accordingly the geographical segments are determined as Domestic ie., within India and External ie., Outside India. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under unallocated income / costs.

9 Employee Benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans

or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

Short-term employee benefits

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

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

Defined contribution plan

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

Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity liability is partly funded.

THE LAKSHMI MILLS COMPANY LIMITED

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

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

2D OTHER ACCOUNTING POLICIES

1 Foreign Currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency

are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively)

2 Borrowing costs

"General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3 Taxation

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

a) Current tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

b) Minimum Alternate Tax (MAT): MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, Deferred tax is provided on MAT and created as an asset when it is highly probable that future economic benefit associated with it will flow to the Company.

c) Deferred tax: Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

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

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

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

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

4 Provisions and contingencies

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an

outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount in the present value of those cash flows (when the effect of time value of money is material).

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Asset: A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

5 Leases - Arrangements in the nature of Lessee

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

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MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the

minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

6 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks.

7 Trade receivables

Trade receivables are recognised initially at fair value unless they do not carry a significant financing component, in which case they are recognized at the transaction price. The Company generally determines the allowance for expected credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

8 Trade Payables

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

MATERIAL ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

9 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents include cash on hand, cash 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.

10 Earning Per Share

Basic earnings per share have been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive

11 Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2024

(₹ in Lakhs)

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Description of Assets	Freehold Land	Buildings	Plant & Equip-ment	Electri-cal Plant & Equip-ment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total Property, Plant and Equipment	Capital Work-in-progress	Intangible Assets (Software)
I. Gross Block (cost or deemed cost)											
Balance as at April 1, 2022	11,553.04	1,449.82	5,582.99	234.66	5.35	131.59	23.94	22.23	19,003.62	525.67	13.32
Additions	-	316.92	1,166.30	111.12	-	56.63	4.55	1.50	1,657.02	4,835.23	30.34
Disposals/Capitalisation	0.64	221.48	58.31	12.07	-	-	-	-	292.50	833.72	-
Reclassification to Investment Property	10,689.03	82.18	-	-	-	-	-	-	10,771.21	-	-
Balance as at March 31, 2023	863.37	1,463.08	6,690.98	333.71	5.35	188.22	28.49	23.73	9,596.93	4,527.18	43.66
Additions	-	326.28	2,240.99	323.42	-	50.24	2.49	3.22	2,946.64	2,024.29	3.17
Disposals/Capitalisation	-	-	579.81	37.50	-	-	-	-	617.31	6,392.42	-
Balance as at March 31, 2024	863.37	1,789.36	8,352.16	619.63	5.35	238.46	30.98	26.95	11,926.26	159.05	46.83
II. Accumulated Depreciation and Impairment											
Balance as at April 1, 2022	-	521.87	3,776.30	66.86	4.32	86.07	8.72	14.11	4,478.25	-	10.46
Charge for the year	-	94.15	536.61	54.88	0.62	25.57	3.95	2.70	718.48	-	10.89
Disposals	-	52.62	53.19	13.79	-	-	-	-	119.60	-	-
Reclassification to Investment Property	-	0.73	-	-	-	-	-	-	0.73	-	-
Balance as at March 31, 2023	-	562.67	4,259.72	107.95	4.94	111.64	12.67	16.81	5,076.40	-	21.35
Charge for the year	-	103.01	1,202.32	106.21	0.11	27.50	2.64	2.88	1,444.67	-	9.12
Disposals	-	-	556.08	33.64	-	-	-	-	589.72	-	-
Balance as at March 31, 2024	-	665.68	4,905.96	180.52	5.05	139.14	15.31	19.69	5,931.35	-	30.47
Net block (I-II)											
Balance as at April 1, 2022	11,553.04	927.95	1,806.69	167.80	1.03	45.52	15.22	8.12	14,525.37	525.67	2.86
Balance as at March 31, 2023	863.37	900.41	2,431.26	225.76	0.41	76.58	15.82	6.92	4,520.53	4,527.18	22.31
Balance as at March 31, 2024	863.37	1,123.68	3,446.20	439.11	0.30	99.32	15.67	7.26	5,994.91	159.05	16.36

Break up of Capital Work in Progress

	As at March 31, 2024	As at March 31, 2023
Property, Plant & Equipment under construction/installation	123.65	660.24
Investment Property under construction	35.40	3,866.94
Total	159.05	4,527.18

Note: The finance costs capitalized to cost of Property, Plant & Equipment during the year is Rs. 197.45 lakhs

Capital work-in-progress (CWIP) ageing schedule as on 31st March 2024 and 31st March 2023

Particulars	Amount in CWIP for a Period of						Total	
	Less Than 1 Year		1-2 years		2-3 years		More than 3 yrs.	
	31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23	31.03.24	31.03.23
Project in progress	159.05	4,066.07	-	461.11	-	-	159.05	4,527.18
Projects temporarily suspended	-	-	-	-	-	-	-	-

Note: There is no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan. There are no intangible assets under development.

Notes to the financial statements for the year ended March 31, 2024

	(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023
NOTE 4 - INVESTMENT PROPERTY		
Cost or deemed cost		
Balance at beginning of the year	12,768.67	1,665.65
Additions	5,698.89	331.81
Disposals	13.31	-
Reclassification from Property, Plant & Equipment *	-	10,771.21
Balance at end of the year	18,454.25	12,768.67
Accumulated depreciation		
Balance at beginning of the year	354.34	260.01
Additions	389.01	93.60
Reclassification from Property, Plant & Equipment *	-	0.73
Balance at end of the year	743.35	354.34
Net Block	17,710.90	12,414.33
Information regarding income and expenditure of investment property		
Rental Income derived from investment properties	1,648.10	688.79
Direct operating expenses (including repairs and maintenance)	282.92	140.00
Profit arising from investment properties before depreciation	1,365.18	548.79
Depreciation	389.01	93.60
Profit arising from investment properties	976.17	455.19
The Company's investment properties consist of properties at Coimbatore and Palladam in the nature of land and buildings, Electrical Plant & Equipment and Office Equipment in India. As at March 31, 2024 and March 31, 2023, the fair values of the investment properties are Rs.302 Crores and Rs.299.00 Crores respectively. These fair values are based on valuations performed by registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules 2017. The fair value hierarchy is at level 2. (Refer note 33.2B for note on fair value hierarchy).		
There are no restrictions on the realizability of the Investment Properties. The finance costs capitalized to the cost of Investment property during the year is Rs. 142.44 lakhs		
* Represents reclassification of the carrying amount of certain land and buildings previously held as Property, Plant and Equipment consequent to determining the same as Investment Property during the year. (Refer Note 3)		
	(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023
NOTE 5 - INVESTMENTS		
Investment in equity instruments		
A. Non Trade, Quoted and fully paid up (Measured at FVTOCI)		
Lakshmi Machine Works Limited	78,854.10	51,850.24
520,000 shares of ₹ 10/- each (520,000 shares of ₹ 10/- each)		
Lakshmi Automatic Loom Works Limited	637.46	254.36
33,000 shares of ₹ 100/- each (33,000 shares of ₹ 10/- each)		
Rajshree Sugars & Chemicals Limited	127.47	84.77
220,000 shares of ₹ 10/- each (220,000 shares of ₹ 10/- each)		
	79,619.03	52,189.37
B. Non Trade, Unquoted and fully paid up (Measured at FVTOCI)		
LCC Investments Private Limited	31.10	30.37
150,000 shares of ₹ 10/- each (150,000 shares of ₹ 10/- each)		
Vishnupriya Farms Private Limited	-	388.58
6,80,598 shares of Rs 10/- each (Current year Nil)		

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2024

	(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023
First Enegy 6 Private Limited (31,50,000 shares of Rs 10/- each (Previous year Nil)	315.00	-
First Enegy 5 Private Limited (19,34,100 shares of Rs 10/- each (Previous year Nil)	193.41	-
	<u>539.51</u>	<u>418.95</u>
Total	80,158.54	52,608.32
Aggregate value of unquoted investments	539.51	418.95
NOTE 6 - LOANS*		
(Unsecured and considered good)		
Non-current		
Measured at amortised cost		
Employee & other advances	60.04	64.38
Total	60.04	64.38
Current		
Measured at amortised cost		
Employee & other advances	10.56	-
At Fair value		
Amount receivable - credit impaired	-	187.41
	<u>-</u>	<u>187.41</u>
Less:		
Expected credit impairment	-	187.41
Total	10.56	-
* There are no loans to promoters, directors, KMPs and related parties included in the above.		
NOTE 6A - CURRENT TAX ASSETS/(LIABILITIES) (NET)		
Current Taxes paid	217.02	101.92
Less : Provision for taxation	-	-
Total	217.02	101.92
NOTE 7 - OTHER FINANCIAL ASSETS		
(Unsecured and considered good)		
Security Deposits	721.29	682.78
Bank margin deposits with more than 12 months maturity from reporting date	83.20	79.30
Total	804.49	762.08
NOTE 8 - OTHER ASSETS		
(Unsecured and considered good)		
Non-current		
Capital Advances	35.80	473.11
Deposits and other loans	17.99	17.99
Advance Income Tax (Net of provisions)	263.27	180.30
Total	317.06	671.40
Current		
Balances with revenue authorities	4.86	150.00
Prepaid expenses	13.72	9.80
Compensation receivable on compulsory acquisition	163.78	-
Income receivable	137.18	99.70
Total	319.54	259.50

Notes to the financial statements for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
NOTE 9 - INVENTORIES		
(Lower of cost or net realisable value)		
Raw materials	643.79	1,225.50
Work-in-progress	444.91	448.88
Finished goods (other than those acquired for trading)		
Yarn	2,076.17	2,714.82
Waste	47.04	35.18
Stock-in-trade		
Cloth	4.64	294.89
Stores and spares	81.11	91.77
Total	3,297.66	4,811.04

Notes:

The mode of valuation of inventories has been stated in Note 2C(5) of Material accounting policies

The cost of inventories recognised as an expense amounted to Rs 15,833.83 Lakhs (Previous year Rs. 15,344.05 Lakhs).

NOTE 10 - TRADE RECEIVABLES

Trade receivables - considered good and secured	-	-
Trade receivables - considered good and unsecured	2,248.63	1,292.88
Less: Expected credit loss	(12.46)	(7.52)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	258.91	258.91
Less: Provision for Impairment	(258.91)	(258.91)
Total *	2,236.17	1,285.36
*Includes dues from private companies/firms in which director is a member/partner	19.73	18.56

Trade receivables (Debtors) ageing Schedule as on 31st March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 yrs.	
(i) Undisputed Trade receivables-considered good	2,239.51	2.15	6.97	-	-	2,248.63
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired is provided	-	-	-	119.14	139.77	258.91
Gross total						2,507.54
Less: Provision for Impairment and Expected credit loss allowance						(271.37)
Total						2,236.17

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2024

(₹ in Lakhs)

Particulars		31.03.2024	31.03.2023			
Trade receivables (Debtors) ageing Schedule as on 31 st March 2023						
Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 yrs.	
(i) Undisputed Trade receivables-considered good	1,282.88	7.14	2.86	-	-	1,292.88
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii)Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired is provided	-	-	119.14	-	139.77	258.91
Gross total						1,551.79
Less: Provision for Impairment and Expected credit loss allowance						(266.43)
Total						1,285.36

NOTE 11 - CASH AND BANK BALANCES

Cash and cash equivalents

Balances with banks

Current accounts

48.71 5.42

Cash in hand

5.37 3.92

Total

54.08 9.34

Bank balances

(i) Earmarked accounts - Unpaid Dividend Warrant Accounts

12.07 13.71

(ii) Fixed deposits held as margin money against borrowings and guarantees

317.24 82.96

(maturity of less than 12 months from reporting date)

Total

329.31 96.67

NOTE 12 - SHARE CAPITAL

Particulars	31.03.2024		31.03.2023	
	No. of shares	Amount ₹ in Lakhs	No. of shares	Amount ₹ in Lakhs
(a) Authorised				
Equity shares of ₹ 100 each with voting rights	10,00,000	1,000.00	10,00,000	1,000.00
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹ 100 each with voting rights	6,95,550	695.55	6,95,550	695.55
Total	6,95,550	695.55	6,95,550	695.55

Notes to the financial statements for the year ended March 31, 2024

(c) Rights, preferences and restrictions attached to shares

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. Repayment of share capital on liquidation will be in proportion to the number of equity shares held.

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

Particulars	Opening Balance	Fresh Issue / Conversion / Redemption	Bonus Issue	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2024				
- Number of shares	6,95,550	-	-	6,95,550
- Amount (in lakhs)	695.55	-	-	695.55
Year ended March 31, 2023				
- Number of shares	6,95,550	-	-	6,95,550
- Amount (in lakhs)	695.55	-	-	695.55

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

Class of shares / Name of shareholder	31.03.2024		31.03.2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Lakshmi Card Clothing Mfg. Co.P Ltd	41,681	5.99%	41,681	5.99%
Coimbatore Lakshmi Cotton Press P.Ltd	77,248	11.11%	77,248	11.11%
S. Pathy	1,13,570	16.33%	1,13,570	16.33%
Aditya Krishna Pathy	90,076	12.95%	86,026	12.37%

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2024

g) Shares held by promoters as on 31st March 2024

Sl. No.	Promoter's Name	31.03.2024		31.03.2023		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Pathy S	1,13,570	16.33	1,13,570	16.33	-
2	Aditya Krishna Pathy	90,076	12.95	86,026	12.37	0.58
3	Aishwarya Pathy	30,698	4.41	30,698	4.41	-
4	Sanjay Jayavarthanavelu	13,213	1.90	13,213	1.90	-
5	Rajshree Pathy	9,877	1.42	9,877	1.42	-
6	K Arjun	9,318	1.34	9,318	1.34	-
7	K Nithin	9,145	1.31	9,145	1.31	-
8	S Sunitha	3,563	0.51	3,563	0.51	-
9	Nethra J S Kumar	1,744	0.25	1,744	0.25	-
10	J Rajyalakshmi	1,392	0.20	1,392	0.20	-
11	Revanth Laxman Vaidya	1,000	0.14	1,000	0.14	-
12	Skanda Laxman Vaidya	1,000	0.14	1,000	0.14	-
13	Uttara R	486	0.07	486	0.07	-
14	Abhinav Narayana B	382	0.05	382	0.05	-
15	Anirudh B	382	0.05	382	0.05	-
16	Shivali Jayavarthanavelu	90	0.01	90	0.01	-
17	D.Shivakumar	7	0.001	7	0.001	-
18	The Coimbatore Lakshmi Cotton Press Pvt Ltd	77,248	11.11	77,248	11.11	-
19	Lakshmi Card Clothing Manufacturing Company Pvt Ltd	41,681	5.99	41,681	5.99	-
20	Sans Craintes Stud Farm P Ltd	19,415	2.79	19,415	2.79	-
21	LCC Investments Pvt Ltd	16,145	2.32	16,145	2.32	-
22	Infocus Marketing And Services Pvt Ltd	7,130	1.03	7,130	1.03	-
23	R Santharam Marketing And Services P Ltd	4,085	0.59	4,085	0.59	-
24	Sans Craintes Livestock Pvt Ltd	556	0.08	556	0.08	-
	TOTAL	4,52,203	65.01	4,48,153	64.43	

Notes to the financial statements for the year ended March 31, 2024

h) Shares held by promoters as on 31st March 2023

Sl. No.	Promoter's Name	31.03.2023		31.03.2022		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Pathy S	1,13,570	16.33	1,13,570	16.33	-
2	Aditya Krishna Pathy	86,026	12.37	81,423	11.71	0.66
3	Aishwarya Pathy	30,698	4.41	30,698	4.41	-
4	Sanjay Jayavarthanavelu	13,213	1.90	13,213	1.90	-
5	Rajshree Pathy	9,877	1.42	9,877	1.42	-
6	K Arjun	9,318	1.34	9,318	1.34	-
7	K Nithin	9,145	1.31	9,145	1.31	-
8	S Sunitha	3,563	0.51	3,563	0.51	-
9	Nethra J S Kumar	1,744	0.25	1,744	0.25	-
10	J Rajyalakshmi	1,392	0.20	1,392	0.20	-
11	Revanth Laxman Vaidya	1,000	0.14	1,000	0.14	-
12	Skanda Laxman Vaidya	1,000	0.14	1,000	0.14	-
13	Uttara R	486	0.07	486	0.07	-
14	Abhinav Narayana B	382	0.05	382	0.05	-
15	Anirudh B	382	0.05	382	0.05	-
16	Shivali Jayavarthanavelu	90	0.01	90	0.01	-
17	D.Shivakumar	7	0.001	-	-	0.001
18	D Suguna	-	-	7	0.00	(0.001)
19	The Coimbatore Lakshmi Cotton Press Pvt Ltd	77,248	11.11	77,248	11.11	-
20	Lakshmi Card Clothing Manufacturing Company Pvt Ltd	41,681	5.99	41,681	5.99	-
21	Sans Craintes Stud Farm P Ltd	19,415	2.79	19,415	2.79	-
22	LCC Investments Pvt Ltd	16,145	2.32	16,145	2.32	-
23	Infocus Marketing And Services Pvt Ltd	7,130	1.03	7,130	1.03	-
24	R Santharam Marketing And Services P Ltd	4,085	0.59	4,085	0.59	-
25	Sans Craintes Livestock Pvt Ltd	556	0.08	556	0.08	-
	TOTAL	4,48,153	64.43	4,43,550	63.77	0.66

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2024

	Particulars	31.03.2024	(₹ in Lakhs) 31.03.2023
NOTE 13 - OTHER EQUITY			
Reserves and Surplus			
	Capital reserve	9.00	9.00
	General reserve	1,391.57	1,391.57
	Securities premium	101.89	101.89
	Retained earnings	10,970.82	12,412.71
	Remeasurement of net defined benefit liability/asset	(347.09)	(310.52)
Other comprehensive income			
	Equity instruments through OCI (net of tax)	74,048.65	49,802.43
		<u>86,174.84</u>	<u>63,407.08</u>
13.a Capital reserve			
	Balance at the beginning of the year	9.00	9.00
	Movement during the year	-	-
	Balance at the end of the year	<u>9.00</u>	<u>9.00</u>
13.b General reserve			
	Balance at the beginning of the year	1,391.57	1,391.57
	Transfer from retained earnings	-	-
	Balance at the end of the year	<u>1,391.57</u>	<u>1,391.57</u>
13.c Securities premium			
	Balance at the beginning of the year	101.89	101.89
	Movement during the year	-	-
	Balance at the end of the year	<u>101.89</u>	<u>101.89</u>
13.d Retained earnings			
	Balance at the beginning of the year	12,412.71	13,087.79
	Profit attributable to owners of the Company	(1,379.29)	(501.20)
	Dividend paid	(62.60)	(173.88)
	Balance at the end of the year	<u>10,970.82</u>	<u>12,412.71</u>
13.e Remeasurement of net defined benefit liabilities			
	Balance at the beginning of the year	(310.52)	(333.12)
	Movement during the year	(36.57)	22.60
	Balance at the end of the year	<u>(347.09)</u>	<u>(310.52)</u>
13.f Other comprehensive income			
	Balance at the beginning of the year	49,802.43	48,181.25
	Equity instruments through OCI (net of tax)	24,246.22	1,621.18
	Balance at the end of the year	<u>74,048.65</u>	<u>49,802.43</u>
NOTE 14 - BORROWINGS			
Non-current			
Secured - Measured at amortised cost			
	Terms loans from banks (refer note below)	8,730.51	5,606.41
	Less: Current maturities of long-term borrowings	(1344.12)	(885.68)
	Total	<u>7,386.39</u>	<u>4,720.73</u>

Notes to the financial statements for the year ended March 31, 2024

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

		(₹ in Lakhs)	
Particulars	Terms of repayment	31.03.2024	31.03.2023
Central Bank of India - Term Loan	The loan is repayable in 60 monthly instalments upto 2024-25. The loans carries an interest rate of 11.65% per annum	-	102.01
Canara Bank - Rental loan	The loan is repayable in 180 monthly instalments upto 2034-35. The loans carries an interest rate of 11.65% per annum	231.56	244.55
Canara Bank - Term loan	The loan is repayable in 60 monthly instalments upto 2024-25. The loans carries an interest rate of 10.25% per annum	60.70	178.01
Canara Bank - Term loan	The loan is repayable in 121 monthly instalments upto 2032-33. The loans carries an interest rate of 10.50% per annum	1,007.27	840.47
Canara Bank - Term loan	The loan is repayable in 121 monthly instalments upto 2032-33. The loans carries an interest rate of 10.50% per annum	1,781.41	745.48
Canara Bank - Term loan	The loan is repayable in 103 monthly instalments upto 2031-32. The loans carries an interest rate of 11.50% per annum	2,371.31	1,849.08
Central Bank of India - Other term loans	The loan is repayable in 24 quarterly instalments upto 2024-25. The loans carries an interest rate of 9.35%, per annum	36.49	268.02
Central Bank of India- ECLG Scheme Loan-1	The loan is repayable in 48 monthly instalments upto 2025-26. The loans carries an interest rate of 9.25% per annum	171.92	260.65
Central Bank of India- ECLG Scheme Loan-2	The loan is repayable in 48 monthly instalments upto 2025-26. The loans carries an interest rate of 9.25% per annum	189.48	185.49
Canara Bank- GECL Loan-1	The loan is repayable in 48 monthly instalments upto 2025-26. The loans carries an interest rate of 9.25% per annum	320.95	412.65
Canara Bank- GECL Loan-2	The loan is repayable in 48 monthly instalments upto 2025-26. The loans carries an interest rate of 9.25% per annum	487.50	520.00
Canara Bank- L.Rental Loan - 1	The loan is repayable in 120 monthly instalments upto 2033-34. The loans carries an interest rate of 10.80% per annum	927.55	-
Canara Bank- L.Rental Loan - 2	The loan is repayable in 138 monthly instalments upto 2034-35. The loans carries an interest rate of 10.80% per annum	498.78	-
Canara Bank- L.Rental Loan - 3	The loan is repayable in 128 monthly instalments upto 2033-34. The loans carries an interest rate of 10.80% per annum	491.92	-
Canara Bank- Term Loan	The loan is repayable in 95 monthly instalments upto 2031-32. The loans carries an interest rate of 10.75% per annum	153.67	-
	Total	8,730.51	5,606.41

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2024

Particulars	31.03.2024	31.03.2023
Current		
Secured - Measured at amortised cost		
Working capital loans from banks (refer note below)	5,275.75	5,420.16
Current maturities of long-term borrowings	1,344.12	885.68
Total	6,619.87	6,305.84
(i) Details of short-term borrowings:		
Loans repayable on demand from banks		
Central Bank of India	1,675.96	1,652.14
Canara Bank	2,495.55	2,735.59
Canara Bank - Inland LC	294.09	430.83
Central Bank of India - Inland LC	810.15	601.60
Total	5,275.75	5,420.16

Details of securities for borrowings

Term Loans from Central Bank of India and Canara Bank are secured by first charge on relevant assets of Coimbatore, Kovilpatti and Palladam units created under respective Project/Term Loans.

Working Capital and Term Loans from Canara Bank and Central Bank of India are secured by pari passu first charge on the fixed assets at Coimbatore, Kovilpatti and Palladam Units.

Working Capital Loans from Canara Bank and Central Bank of India are further secured by first charge on book debts and hypothecation of inventories.

Canara Bank rental loan is secured by the relevant land and buildings of the company.

	(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023
NOTE 15 - PROVISIONS		
Non-current		
Provision for employee benefits	463.46	418.80
Total	463.46	418.80
Current		
Provision for employee benefits	128.47	108.09
Total	128.47	108.09
NOTE 16 - TRADE PAYABLES		
Payables of micro enterprises and small enterprises (refer note 34.3)	27.23	12.87
Others	2,945.13	2,087.72
Total	2,972.36	2,100.59

Trade Payables ageing schedule as on 31st March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less Than 1 Year	1-2 years	2-3 years	More than 3 yrs.	
MSME	27.23	-	-	-	27.23
Others	2,945.13	-	-	-	2,945.13
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-



Notes to the financial statements for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
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Trade Payables ageing schedule as on 31st March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less Than 1 Year	1-2 years	2-3 years	More than 3 yrs.	
MSME	12.87	-	-	-	12.87
Others	2,087.72	-	-	-	2,087.72
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-

NOTE 17 - OTHER FINANCIAL LIABILITIES

Non-current

Rental security deposit	514.96	422.36
Amount refundable towards land sale	482.85	482.85
Total	997.81	905.21

Current

Unclaimed dividends	12.07	13.71
Rental security deposit	37.54	23.82
Security deposits from customers	8.39	7.96
Total	58.00	45.49

NOTE 18 - OTHER LIABILITIES

Non-current

Deferred Income- Government grants	74.82	71.52
Deferred Rent advance	1,352.10	1,343.56
Total	1,426.92	1,415.07

Current

Liabilities for expenses	719.23	472.06
Deferred Income- Government grants	39.31	36.67
Deferred Rent advance	113.63	105.23
Other Liabilities	195.78	297.19
Payables to suppliers of capital goods	259.66	213.91
Total	1,327.61	1,125.07

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2024

		(₹ in Lakhs)	
Particulars		31.03.2024	31.03.2023
NOTE 19 - REVENUE FROM OPERATIONS			
Revenue from sale of goods			
Manufactured	- Cotton and Synthetic Yarn	19,954.43	19,035.35
	- Cloth	-	62.21
Trading	- Cotton and Synthetic Yarn	-	339.28
	- Cloth	2,772.02	3,336.32
	- Garments	-	-
Waste		667.85	347.86
Raw Materials		-	24.70
		23,394.30	23,145.72
Other operating revenue (refer note (i) below)		1,902.60	894.68
Total		25,296.90	24,040.40
Note (i)			
Other operating revenue comprises:			
Sale of scrap		48.58	20.87
Rental Income		1,539.58	655.16
Deferred Rental Income		108.52	33.63
Export incentives		205.92	185.02
Total		1,902.60	894.68
NOTE 20 - OTHER INCOME			
Interest Income earned on financial assets that are not designated at fair value through profit or loss:			
(i)	Bank deposits	27.52	10.56
(ii)	Other financial assets	45.01	45.07
Dividend Income		515.50	211.30
Miscellaneous income		5.92	4.80
Net gain on foreign currency transactions and translation		66.24	81.51
Amortization of Government Grant		57.22	34.58
Gain on disposal of property, plant and equipment		86.73	16.95
Total		804.14	404.77
NOTE 21.A - COST OF MATERIALS CONSUMED			
Opening stock		1,225.50	2,001.76
Add: Purchases		11,782.26	10,723.16
		13,007.76	12,724.92
Less: Closing stock		643.79	1,225.50
Total		12,363.97	11,499.42
NOTE 21.B - PURCHASES OF STOCK-IN-TRADE			
Purchase for resale			
Yarn		-	335.05
Cloth		2,118.02	3,090.95
Total		2,118.02	3,426.00



Notes to the financial statements for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
NOTE 21.C - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Yarn	2,076.17	2,714.82
Cloth	4.64	294.89
Garments	-	-
Waste	47.04	35.18
Work-in-progress	444.91	448.88
	<u>2,572.76</u>	<u>3,493.77</u>
Inventories at the beginning of the year:		
Yarn	2,714.82	2,811.10
Cloth	294.89	165.16
Garments	-	-
Waste	35.18	25.54
Work-in-progress	448.88	459.92
	<u>3,493.77</u>	<u>3,461.72</u>
Net increase	<u>921.01</u>	<u>(32.05)</u>
NOTE 22 - EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	3,419.29	3,012.90
Managing Directors' Remuneration (Minimum)	193.74	181.03
Contribution to PF and other funds	134.64	125.42
Gratuity	63.16	60.82
Welfare expenses	164.47	181.66
Total	<u>3,975.30</u>	<u>3,561.83</u>
NOTE 23 - FINANCE COST		
Interest Expenses	1,056.40	707.59
Other borrowing cost	56.47	23.39
Total	<u>1,112.87</u>	<u>730.98</u>
NOTE 24 - DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of Property, Plant & equipment	1,444.68	718.49
Depreciation of Investment Property	389.01	93.59
Amortization of Intangible assets	9.12	10.89
Total	<u>1,842.81</u>	<u>822.97</u>
NOTE 24A - OTHER EXPENSES		
Consumption of stores and spare parts	128.88	146.50
Consumption of Packing materials	301.95	304.18
Rent	24.71	24.09
Repairs to Buildings	196.41	298.27
Repairs to Machinery	250.52	234.88
Insurance	39.82	34.51
Rates and Taxes, excluding taxes on income	156.54	106.75
Other Manufacturing Expenses	37.57	77.62
Sales Commission	179.55	245.49
Sales Expenses, Advertisement, Export Expenses & Freight	294.10	222.96

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2022

		(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023	
Advances written off	187.41	-	-
Less: Provision for impairment of advances reversed	(187.41)	-	-
Expected Credit Loss on Trade receivables	4.94	7.52	
Office Maintenance & Administration Expenses	366.39	372.65	
Directors' Sitting Fees	7.50	6.90	
Auditor's Remuneration			
Audit fees	5.00	5.00	
Taxation matters	0.99	1.25	
Certification & others	1.57	0.56	
Reimbursement of expenses	0.45	0.20	
Bank charges	82.12	80.57	
Miscellaneous Expenses	305.67	290.55	
Total	2,384.68	2,460.45	
NOTE 25 - EXCEPTIONAL ITEMS			
Profit on sale on Investments	18.60	-	
Profit on sale of land and buildings	150.46	96.01	
Total	169.06	96.01	
NOTE 26 - TAX EXPENSE			
Current tax			
In respect of the current year	-	-	
Deferred tax	(641.58)	(176.66)	
Total income tax expense recognised in the current year	(641.58)	(176.66)	
The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:			
Current Tax:			
Profit before tax	(2,020.87)	(677.86)	
Enacted income tax rate	29.12%	29.12%	
Computed expected tax expense	-	-	
Effect of:			
Depreciation	(121.71)	(65.45)	
43B Disallowances - Gratuity & Bonus	3.92	12.80	
Unabsorbed depreciation and carry forward losses	816.21	230.99	
Voluntary Retirement Scheme	(3.70)	(4.63)	
Allowance for doubtful debts and advances (net)	(54.57)	5.80	
MAT & other tax deductions	-	(5.04)	
Expected Credit loss on Trade Receivables	1.43	2.19	
Income tax expense recognised in the profit or loss	641.58	176.66	
Deferred Tax:			
Relating to the origination and reversal of temporary differences (see below)	(641.58)	(176.66)	
Tax expense reported in the Statement of Profit and Loss	-	-	

Notes to the financial statements for the year ended March 31, 2024

	(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023
Deferred tax		
Opening balance	906.84	861.17
Recognised in Profit or loss		
MAT Credit Entitlement	-	5.04
Property, plant and equipment	121.71	65.45
43B Disallowances - Gratuity & Bonus	(3.92)	(12.80)
Unabsorbed depreciation and carry forward losses	(816.21)	(230.99)
Voluntary Retirement Scheme	3.70	4.63
Allowance for doubtful debts and advances (net)	54.57	(5.80)
Expected Credit Loss on Trade receivables	(1.43)	(2.19)
	<u>(641.58)</u>	<u>(176.66)</u>
Recognised in Other Comprehensive Income		
Defined benefit obligation	(15.02)	3.93
Fair value of equity investments	3,184.17	218.40
Closing balance	<u>3,434.41</u>	<u>906.84</u>

NOTE 27 - SEGMENT INFORMATION

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

The Company is structured into two reportable business segments - "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. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

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

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

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

	(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023
Business Segment		
Segment Revenue		
Net Sales/Income		
a. Textiles	23,864.91	23,489.45
b. Rental services	1,648.10	688.79
c. Unallocated revenue	588.03	266.93
Net Sales/Income	<u>26,101.04</u>	<u>24,445.17</u>

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2024

	(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023
Segment Results		
Profit / (Loss)		
a. Textiles	(2,403.43)	(448.12)
b. Rental services	1,126.63	455.19
Total	(1,276.80)	7.07
Less: Finance costs	1,112.87	730.98
Add /(Less): Other unallocable Income net of unallocable expenses	368.80	46.05
Total Profit/Loss before Tax	(2,020.87)	(677.86)
Segment Assets		
a. Textiles	12,617.00	12,820.28
b. Rental services	18,029.42	16,281.28
c. Unallocated	81,309.27	53,052.80
Total	1,11,685.69	82,154.36
Segment Liabilities		
a. Textiles	16,861.35	13,095.89
b. Rental services	4,507.47	4,035.29
c. Unallocated	3,446.48	920.55
Total	24,815.30	18,051.73
Geographical Segment		
Revenues		
a. Domestic	21,694.00	19,862.49
b. External	4,407.04	4,582.68
Net Sales/ Income from operations	26,101.04	24,445.17
Note:		
There were two customers (Rs. 7,259.16 lakhs) during FY 23-24 and there was one customer during FY 2022-23 (Rs. 3,294.09 lakhs) who have contributed 10% or more to the company's revenue across all segments.		
NOTE 28 - EARNINGS PER SHARE (EPS)		
Profit attributable to ordinary shareholders - for Basic and Diluted EPS	(1,379.29)	(501.20)
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	6,95,550	6,95,550
Weighted average number of equity shares used in the calculation of diluted earnings per share	6,95,550	6,95,550
Earnings per share (Face value ₹ 100/- per share)		
- Basic (in ₹)	(198.30)	(72.06)
- Diluted (in ₹)	(198.30)	(72.06)

Notes to the financial statements for the year ended March 31, 2024

NOTE 29 - OPERATING LEASES - INVESTMENT PROPERTY (NOTE 4)

29.1 The Assets on operating leases includes following assets given on operating lease :

						(₹ in Lakhs)
Particulars	Land	Buildings	Electrical Plant & Equipment	Office Equipment	Total	Capital Work-in-Progress
As at 31 March 2024						
Gross Block	10,679.60	7,075.63	664.67	34.35	18,454.25	35.40
Accumulated Depreciation	-	481.87	247.30	14.18	743.35	-
Net Block	10,679.60	6,593.76	417.37	20.17	17,710.90	35.40
Depreciation for the year	-	255.55	128.53	4.93	389.01	-
As at 31 March 2023						
Gross Block	10,692.92	1,534.40	524.37	16.98	12,768.67	3,866.94
Accumulated Depreciation	-	226.32	118.77	9.25	354.34	-
Net Block	3.89	1,308.08	405.60	7.73	12,414.33	3,866.94
Depreciation for the year	-	62.80	28.10	2.70	93.60	-

29.2 The Company has entered into operating leases of its buildings with other facilities. These leases have terms of between 11 months and 15 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals receivable under non-cancellable operating leases as at the end of the year are as follows:

			(₹ in Lakhs)
Particulars	31.03.2024	31.03.2023	
Within one year	1,599.31	1,150.16	
After one year but not more than five years	6,872.59	4,852.89	
More than five years	15,924.38	15,101.41	

NOTE 30 - CONTINGENT LIABILITIES

(a) Other monies for which the Company is contingently liable:

Bills discounted with Banks	567.65	272.18
Income tax liability	983.16	983.16
Central Excise / Service Tax disputed demand	48.63	48.63
Sub Total	1,599.44	1,303.97

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account - Net of Advances	36.32	1,640.45
Committed Investment in Group Captive Solar Power Generator company	-	388.58
Sub Total	36.32	2,029.03
Total	1,635.76	3,333.00

Future cash flows in respect of certain matters are determinable only on receipt of judgements/decisions pending at various forums/authorities. Management is hopeful of successful outcome in the appellate proceedings.

Disputed tax dues are under consideration before the concerned appellate & assessing authorities. The Company is advised that the cases are likely to be disposed off in favour of the Company and hence no provision is considered necessary therefor.

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Notes to the financial statements for the year ended March 31, 2024

NOTE 31 - EMPLOYEE BENEFIT PLANS

(a) Defined Contribution Plan

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised Rs. 104.81 Lakhs (Previous year: Rs 99.73 Lakhs) as contribution to Provident Fund, Rs. 24.58 lakhs (Previous year Rs. 22.93 lakhs) as contribution to Superannuation Fund and Rs 35.45 Lakhs (Previous year: Rs 30.94 Lakhs) as contribution to Employee State Insurance (ESI) in the Statement of Profit and Loss. These contributions have been made at the rates specified in the rules of the respective schemes and has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company has partly funded its gratuity obligations. The following table sets out the status of the defined benefit schemes and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary.

Reconciliation of opening and closing balances of Defined Benefit Obligation

	(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023
Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	597.93	629.81
Current service cost	29.15	26.39
Interest cost	42.01	43.93
Actuarial (Gain) / Loss	50.70	(28.25)
Benefits paid	(61.93)	(73.95)
Defined Benefit Obligation at the year end	657.86	597.93
Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	71.03	110.16
Employer contributions	52.80	30.00
Expected Return on Plan Assets	4.92	6.54
Actuarial Gain / (Loss)	(0.89)	(1.72)
Benefits paid	(61.93)	(73.95)
Fair value of Plan Assets at the year end	65.93	71.03
Expenses recognised during the year		
In Income Statement		
Current service cost	29.15	26.39
Interest on net defined benefit liability/ (asset)	42.01	43.93
Expected Return on Plan Assets	(4.92)	(6.54)
Net Cost	66.24	63.78
In Other Comprehensive Income		
Actuarial (Gain) / Loss	51.59	(26.53)
Net (Income)/ Expense for the period recognised in OCI	51.59	(26.53)

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

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

Notes to the financial statements for the year ended March 31, 2024

Particulars	(₹ in Lakhs)	
	31.03.2024	31.03.2023
Actuarial assumptions		
Discount Rate (per annum)	7.19%	7.41%
Expected rate of return on plan assets	7.41%	7.07%
Rate of escalation in Salary (per annum)	5.00%	5.00%
Attrition rate (per annum)	3.00%	3.00%

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

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2012-14) Ult table.

Sensitivity analysis

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

Particulars	Discount rate	Salary escalation rate	Attrition rate
As at March 31, 2024			
Defined benefit obligation on plus 100 basis points	631.88	685.81	659.84
Defined benefit obligation on minus 100 basis points	686.29	631.85	655.76
As at March 31, 2023			
Defined benefit obligation on plus 100 basis points	571.80	626.13	600.40
Defined benefit obligation on minus 100 basis points	626.62	571.79	595.30

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

Maturity profile of defined benefit obligation

Particulars	(₹ in Lakhs)	
	31.03.2024	31.03.2023
Expected total benefit payments		
Within 1 year	51.01	69.47
1 year to 2 years	46.16	40.93
2 years to 3 years	45.74	36.88
3 years to 4 years	50.64	43.05
4 years to 5 years	75.50	46.47
From 6th year to 10 years	293.51	289.95

These plan's typically expose the Company to actuarial risks such as: longevity risk and salary risk.

Longevity Risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

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

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Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation. The new labour code is a case in point and the same will have to be recognized immediately in the year when any such amendment is effective.

Liquidity risk: Employees with high salaries and long durations of service or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

NOTE 32 - RELATED PARTY DISCLOSURES

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

(a) Key Management Personnel (KMP)	Sri S. Pathy - Chairman and Managing Director Sri Aditya Krishna Pathy - Deputy Managing Director Sri N. Singaravel - Company Secretary Sri A. Doraiswamy - Chief Financial Officer Non - Executive Directors Sri R. Santharam - Vice Chairman Sri Sanjay Jayavarthanavelu Sri D. Rajendran - Independent Director Sri Satish Ajmera - Independent Director Smt. Suguna Ravichandran - Independent Director Sri. Vijay Venkataswamy - Independent Director
(b) Post retirement employee benefit plans	The Lakshmi Mills Co Ltd. Employees Gratuity Fund The Lakshmi Mills Superannuation Fund
(c) Enterprises over which Key Managerial Personnel are able to exercise significant influence	Lakshmi Machine Works Ltd Lakshmi Card Clothing Manufacturing Company Private Limited Lakshmi Automatic Loom Works Limited Balakumar Shipping & Clearing Agency Private Limited Aloha Tours & Travels (India) Private Limited Sans Craintes Knitters Major Corporate Services (India) LLP Chakradhara Aerospace and Cargo Private Ltd Lavik Estates Ltd Rajshree Biosolutions LLP Premier Spinning and Weaving Mills Private Ltd Rajshree Sugars and Chemicals Ltd Petal Home LLP

Notes to the financial statements for the year ended March 31, 2024

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

(Previous year figures are in brackets)

(₹ in Lakhs)

Nature of transaction	(a) Key Management Personnel (KMP)	(b) Post retirement employee benefit plans	(c) Enterprises over which Key Managerial Personnel are able to exercise significant influence	Total
Transactions during the year				
Purchase of Goods / Assets	-	-	1,280.60	1,280.60
	-	-	(1,075.64)	(1,075.64)
Sale of Goods / Assets	-	-	72.59	72.59
	-	-	(388.24)	(388.24)
Receiving of Services	-	-	121.44	121.44
	-	-	(130.94)	(130.94)
Rendering of Services	-	-	50.53	50.53
	-	-	(49.34)	(49.34)
Sitting Fees to Directors	7.50	-	-	7.50
	(6.90)	-	-	(6.90)
Remuneration	201.26	-	-	201.26
	(188.51)	-	-	(188.51)
Contribution to funds	-	26.52	-	26.52
	-	(24.83)	-	(24.83)
Commitments			36.32	36.32
			(817.96)	(817.96)
Balance as on balance sheet date				
Receivables/Outstanding(Net)				
from Related Parties	-	-	21.11	21.11
	-	-	(21.09)	(21.09)
Payables (Net) to Related Parties	-	591.93	12.64	604.57
	-	(526.89)	(11.41)	(538.30)
Capital Advance to Related Parties			35.80	35.80
			(332.26)	(332.26)

Disclosure in respect of Related Party Transactions during the year:

- Purchase of goods/assets includes Lakshmi Card Clothing Mfg. Company Private Ltd Rs. 26.82 lakhs; (Previous year Rs. 29.41 Lakhs); Petal Home LLP Rs.NIL Lakhs.(Previous year Rs. 0.15 lakhs) ; Lakshmi Machine Works Ltd Rs.1,253.03 lakhs(Previous year Rs.1,045.94 lakhs);Rajshree Biosolutions LLP Rs.0.75 lakhs (Previous year Rs.0.14 lakhs)
- Sale of Goods / assets include Lakshmi Card Clothing Mfg. Company Private Ltd Rs. 1.04 Lakhs. (Previous year Rs. 1.14 Lakhs); Petal Home LLP Rs.5.98 Lakhs.(Previous year Rs. 14.13 Lakhs); Lakshmi Automatic Loom Works Ltd Rs.Nil lakhs (Previous Year Rs.265.50 lakhs); Premier Spg and Wvg Mills Pvt Ltd Rs.54.51 lakhs (Previous year Rs.213.78 lakhs); Rajshree Sugars and Chemicals Ltd Rs.11.06 lakhs (Previous Year Rs.10.68 lakhs).
- Receiving of Services include Balakumar Shipping & Clearing Agency P.Ltd Rs. 21.28 Lakhs (Previous year Rs. 24.16 Lakhs); Aloha Tours & Travels (India) Private Ltd Rs. 35.45 Lakhs (Previous year Rs. 47.22 Lakhs); Lakshmi Card Clothing Mfg. Company Private Ltd Rs. 3.36 Lakhs (Previous year Rs. 4.26 Lakhs); Chakradhara Aerospace and Cargo Private Ltd Rs. 13.38 Lakhs (Previous year Rs.17.43 Lakhs);

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Notes to the financial statements for the year ended March 31, 2024

Lakshmi Automatic Loom Works Ltd Rs. 18.95 Lakhs (Previous year Rs. 16.09 Lakhs); Major Corporate Services (India) LLP Rs. 19.58 lakhs (Previous year Rs. 7.19 Lakhs) ; Petal Home LLP Rs.9.44 lakhs (Previous year Rs.14.16 lakhs) ;

4. Sitting fees paid to Directors- Sri.R.Santharam Rs.1.55 lakhs (Previous Year Rs.1.20 Lakhs), Sri.Sanjay Jayavarthanavelu Rs.0.75 lakhs(Previous Year Rs.0.70 lakhs),Sri.D.Rajendran Rs.1.70 lakhs (Previous year Rs.1.20 lakhs), Sri.Satish Ajmera Rs.1.85 lakhs (Previous Year Rs.1.85 lakhs), Smt.Suguna Ravichandran Rs.1.05 lakhs (Previous year Rs.1.40 lakhs), Sri Vijay Venkataswamy Rs.0.60 lakhs(Previous year Rs.0.55 lakhs)
5. Rendering of Services include Lakshmi Card Clothing Mfg. Company Private Ltd Rs. 17.86 Lakhs (Previous year Rs. 16.35 Lakhs); Lakshmi Automatic Loom Works Ltd Rs. 31.39 Lakhs (Previous year Rs. 29.78 Lakhs) ; Sans Craintes Knitters Rs. Nil Lakhs (Previous year Rs. 2.93 Lakhs); Petal home LLP Rs.0.92 lakhs (Previous year Rs.0.28 Lakhs);Rajshree Biosolutions LLP Rs.0.36 lakhs (Previous year Rs.0.24)
6. Remuneration to Key Managerial Personnel includes Sri S. Pathy Rs. 99.22 Lakhs (Previous year Rs. 93.22 Lakhs); Sri Aditya Krishna Pathy Rs. 68.29 Lakhs (Previous year Rs. 63.22 Lakhs); Sri N.Singaravel Rs. 16.13 Lakhs (Previous year Rs. 15.19 Lakhs); Sri A.Doraisamy Rs. 17.62 Lakhs (Previous year Rs. 16.88 Lakhs).
7. Contribution to Gratuity Fund includes Sri.S.Pathy Rs. 2.22 Lakhs (Previous year Rs. 2.13 Lakhs) ; Sri.Aditya Krishna Pathy Rs.0.86 lakhs (Previous Year Rs.0.83 lakhs) ; Sri.N.Singarvel Rs.0.29 Lakhs (Previous year Rs.0.24 lakhs)
8. Contribution to Superannuation Fund includes Sri.S.Pathy Rs. 14.34 Lakhs (Previous year Rs. 13.44 Lakhs) ; Sri.Aditya Krishna Pathy Rs.8.81 lakhs (Previous Year Rs.8.19 lakhs).
9. Amount Receivable from other related parties includes Lakshmi Automatic Loom Works Ltd Rs. 1.38 Lakhs (Previous year Rs. 1.50 Lakhs); Sans Craintes Knitters Rs. Nil Lakhs (Previous year Rs. 1.31 Lakhs); and Lakshmi Card Clothing Mfg. Company Private Ltd Rs. 12.63 Lakhs (Previous year Rs. 15.19 Lakhs) Petal Home LLP Rs. 2.43 (Previous year Rs. 2.06 Lakhs); Premier Spinning and Weaving Mills Private Ltd Rs.4.64 lakhs (Previous year Rs.0.18 lakhs); Rajshree Sugars and Chemicals Ltd Rs.Nil lakhs (Previous year Rs.0.86) Rajshree Biosolutions LLP Rs.0.03 lakhs (Previous year Rs. Nil lakhs)
10. Amount payable for Post retirement employee benefit plan includes The Lakshmi Mills Co. Ltd. Employees Gratuity Fund Rs. 591.93 Lakhs (Previous year Rs. 526.89 Lakhs).
11. Amount payable to other related parties include Aloha Tours & Travels (India) Private Ltd Rs. 5.91 Lakhs (Previous year Rs. 1.55 Lakhs); Balakumar Shipping & Clearing Agency P.Ltd Rs. 2.71 Lakhs (Previous year Rs.5.51 lakhs); Major Corporate Services (India) LLP Rs. 2.64 Lakhs (Previous Year Rs.Nil lakhs); Chakadhara Aerospace and Cargo Private Ltd Rs. 1.38 lakhs (Previous year Rs.4.17 lakhs)
12. a) Capital Advance Rs.35.80 lakhs (Previous year Rs.332.26 lakhs) paid to related party Lakshmi Machine Works Ltd for supply of Machinery.(b) Commitments (Net of Advances): Rs.36.32 lakhs (Previous year Rs.817.96 Lakhs) to related party Lakshmi Machine Works Ltd.

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	(₹ in Lakhs)	
	31.03.2024	31.03.2023
Short-term employee benefits	201.26	188.51
Post-employment benefits	26.52	24.83
Directors-Sitting Fees	7.50	6.90

Notes to the financial statements for the year ended March 31, 2024

NOTE 33 - FINANCIAL INSTRUMENTS

33.1 Capital management

The Company's capital management objectives are:

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

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

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

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

Particulars	31.03.2024	31.03.2023
Net Debts	13,622.87	10,920.56
Total Equity	86,870.39	64,102.63
Gearing ratio	0.16	0.17

33.2 Categories of Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, and financial liability are disclosed in Note 2C (7) of Material Accounting Policies.

A. Financial assets and liabilities

The accounting classification of each category of financial assets and liabilities, and their carrying amounts, are set out below: (₹ in lakhs)

Particulars	31.03.2024		31.03.2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at FVTOCI				
Investments	80,158.54	80,158.54	52,608.32	52,608.32
Financial assets at FVTOCI	80,158.54	80,158.54	52,608.32	52,608.32
Measured at amortised cost				
Loans - non current	60.04	60.04	64.38	64.38
Other Financial Assets - Non current	804.49	804.49	762.08	762.08
Trade receivables	2,236.17	2,236.17	1,285.36	1,285.36
Cash and cash equivalents	54.08	54.08	9.34	9.34
Bank balances	329.31	329.31	96.67	96.67
Loans - current	10.56	10.56	-	-
Financial assets at amortized cost	3,494.65	3,494.65	2,217.83	2,217.83
Total financial assets	83,653.19	83,653.19	54,826.15	54,826.15
Financial liabilities				
Measured at amortised cost				
Borrowings	14,006.26	14,006.26	11,026.57	11,026.57

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Particulars	31.03.2024		31.03.2023	
	Carrying value	Fair value	Carrying value	Fair value
Others financial liabilities - Non Current	997.81	997.81	905.21	905.21
Trade payables	2,972.36	2,972.36	2,100.59	2,100.59
Others financial liabilities - Current	58.00	58.00	45.49	45.49
Total financial liabilities	18,034.43	18,034.43	14,077.86	14,077.86

The management assessed that fair values of cash and bank balances, trade receivables, loans, other financial assets, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value largely due to the short-term maturities of these assets and liabilities.

B. Fair value hierarchy

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

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

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

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

33.3 Financial risk management objective

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

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

The risk management process aims to:

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

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

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

Notes to the financial statements for the year ended March 31, 2024

Market risk - Foreign exchange

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through its finance division and uses derivative instruments such as foreign currency forward contracts to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by Management.

The Company, as its policy, does not undertake any trading in derivatives financial instruments for speculation purpose.

The details of foreign currency exposures that are hedged by any derivative instrument or otherwise are:

Particulars	Foreign Currency (FC)	Amount in FC		Equivalent ₹ in Lakhs	
		31-03-2024	31-03-2023	31-03-2024	31-03-2023
Trade Receivables	USD	1,63,127	1,09,185	136.02	89.48
Trade Receivables	GBP	2,40,640	2,37,750	253.35	242.20

Exchange rate Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from major foreign currency denominated financial instruments which is as follows: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Increase/(decrease) in profit for the year - 5% increase in INR/FC* rates	19.47	16.58
Increase/(decrease) in profit for the year - 5% decrease in INR/FC* rates	(19.47)	(16.58)

*FC - Foreign Currency

Market risk - Interest rate

(i) Liabilities:

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2024, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Below is the overall exposure of the Company to interest rate risk: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Floating rate borrowing from banks	14,006.26	11,026.57

Interest rate Sensitivity Analysis

Impact in profit on change in interest rates holding other factors constant would be:

Particulars	As at March 31, 2024	As at March 31, 2023
Impact for change in 1%	140.06	110.27

(ii) Assets:

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

Credit Risk

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

Credit risk on outstanding receivables is the exposure to billed receivable and are normally unsecured and derived from revenue earned from customers in India and abroad. Credit risk is managed by the company through credit approvals and continuously monitoring the credit worthiness of the customer to which

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the company grants credit in the normal course of business. The company applied simplified approach of estimated credit loss for trade receivables, which provide for expected credit loss based on life-time expected losses.

The Company evaluates the credit risk associated with each party on a regular basis and provides for impairment wherever required. The credit risk for cash and cash equivalents, bank deposits and security deposits is considered negligible, since the counterparties are reputable organisations with high quality credit ratings.

Liquidity risk

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

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

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

(₹ in Lakhs)

	Less than 1 year	1 - 3 year	More than 3 year	Total
March 31, 2024				
Borrowings	6,619.87	3,636.83	3,749.56	14,006.26
Other financial liabilities - Non Current	-	-	997.81	997.81
Trade payable	2,972.36	-	-	2,972.36
Other financial liabilities	58.00	-	-	58.00
Total	9,650.23	3,636.83	4,747.37	18,034.43
March 31, 2023				
Borrowings	6,305.84	2,370.17	2,350.56	11,026.57
Other financial liabilities - Non Current	-	-	905.21	905.21
Trade payable	2,100.59	-	-	2,100.59
Other financial liabilities	45.49	-	-	45.49
Total	8,451.92	2,370.17	3,255.77	14,077.86

EQUITY PRICE RISK

Equity Price Risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Company's investments in quoted shares measured at fair value through other comprehensive income exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in quoted equity securities as of March 31, 2024 and March 31, 2023 was Rs. 79,619.03 Lakhs and Rs. 52,189.37 Lakhs respectively.

A 5% change in equity price as of March 31, 2024 and March 31, 2023 would result in an impact of Rs.3,980.95 Lakhs and Rs. 2,609.47 Lakhs respectively.

NOTE - 34: ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

34.1 Dividend:

The directors have not recommended any dividend for the current year in view of the losses.

34.2 Disclosure of ratios as per Schedule III of the Companies Act, 2013

Ratio	Numerator	Denominator	2023-24	2022-23	% of variance	Reasons for variance incase of variance more than 25%
			Ratio	Ratio		
(a) Current Ratio (In times)	Current Assets	Current Liabilities	0.59	0.69	(14.49%)	-
(b) Debt-Equity Ratio (In times)	Total Debt (Including lease liabilities)	Shareholders Equity	0.16	0.17	(5.88%)	-
(c) Debt Service Coverage Ratio (In times)	Earnings available for debt service	Debt Service	0.36	0.41	(12.20%)	-
(d) Return on Equity Ratio (in%)	Net Profit after taxes - (Preference dividend)	Average Shareholder's equity	(1.83%)	(0.79%)	131.65%	Increase in Net Loss
(e) Inventory turnover ratio (In times)	Sales of goods	Average Inventory	5.83	4.50	29.56%	Decrease in Average Inventory
(f) Trade Receivables turnover ratio (In times)	Credit Sales	Average Trade Receivables	14.37	10.60	35.57%	Decrease in Average Trade receivables
(g) Trade payables turnover ratio (In times)	Credit Purchases	Avearge Trade Payables	5.42	7.19	(24.62%)	-
(h) Net capital turnover ratio (In times)	Net Sales	Working Capital	(5.59)	(8.05)	(30.56%)	Increase in turnover and decrease in working capital
(i) Net profit ratio (in%)	Net Profit after taxes	Net Sales	(5.45%)	(2.09%)	160.77%	Decrease in Earnings
(j) Return on Capital employed (in%)	Earnings before Interest & Tax	Capital Employed	(0.87%)	0.07%	(1342.86%)	Decrease in Earnings
(k) Return on investment (in%)	Income generated from investments	Time Weighted average investments	42.10%	3.98%	957.79%	Due to increase in the income generated from investments

Debt Service = Interest & Lease Payments + Principal Repayments

Earnings for Debt service = Net profit after taxes + Non-cash operating expenses + Interest

Capital Employed = Tangible net worth + Total debt + Deferred tax liability

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2024

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

	(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023
(i) Principal amount remaining unpaid to MSME suppliers as at the end of each accounting year	27.23	12.87
(ii) Interest due on unpaid principal amount to MSME suppliers as at the end of each accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) The amount of interest accrued and remaining unpaid as at the end of the year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

34.4 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchange

The Company has not given any loans and advances in the nature of loans given to associates, firms / companies in which directors are interested.

	(₹ in Lakhs)	
Particulars	31.03.2024	31.03.2023

34.5 Value of imports calculated on CIF basis:

Raw materials	473.87	354.53
Components & Spares	-	0.58

34.6 Expenditure in foreign currency on account of:

Travel	27.47	6.69
Sales commission on exports	92.69	163.25
Subscription	2.19	1.66

Notes to the financial statements for the year ended March 31, 2024

34.7 Value of Raw materials, Stores and Components consumed

Particulars	31.03.2024		31.03.2023	
	₹ in Lakhs	%	₹ in Lakhs	%
Imported				
Cotton, Fibre and Yarn	730.90	5.91%	729.01	6.34%
Stores, spare parts and packing material consumed	-	-	0.58	0.13%
Indigenous				
Cotton, Fibre and Yarn	11,633.07	94.09%	10,770.41	93.66%
Stores, spare parts and packing material consumed	430.83	100.00%	450.10	99.87%

(₹ in Lakhs)

Particulars	31.03.2024	31.03.2023
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34.8 Earnings in foreign exchange-Export of goods on FOB value

Cloth	2,765.81	3,341.81
Yarn	1,649.66	1,846.40

34.9 Details of Miscellaneous expenses

Cost audit fees	1.00	1.00
Loss on sale of assets	1.58	8.15
Repairs to others	22.95	25.71
Printing, Stationery & Subscription	33.07	27.96
Travel, Postage, Telex, Telephone & Transport charges	235.09	157.69
Legal and Consultancy expenses	11.99	20.92
	<u>305.68</u>	<u>241.43</u>

34.10 Power & fuel costs of Rs. 3,572.31 lakhs are after set off of solar power generation of Rs. 5.39 lakhs during the year

34.11 OTHER STATUTORY INFORMATION

- The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.”
- The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.”
- The company did not undertake transactions that were not recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- The Company has not made investments in more than one layer of body corporate in accordance with provisions of clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

THE LAKSHMI MILLS COMPANY LIMITED

Notes to the financial statements for the year ended March 31, 2024

- 6 The Company has not been declared a Wilful Defaulter by its lenders.
- 7 No proceedings have been initiated against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 8 The company has not traded in cryptocurrencies or virtual currencies during the year.
- 9 The Company has not entered into transactions with Companies that have been struck off the Register of Companies u/s 248 of the Companies Act, 2013 during the financial year.
- 10 The fair valuation of the investment property as disclosed in Note 4 has been done by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- 11 The Company has not entered into transactions with companies that have been struck off the Register of Companies u/s 248 of the Companies Act, 2013
- 12 The details of quarterly statements of stock and book debts filed by the Company with the banks have been given below together with the reason for the differences

QUARTERS	FIGURES AS PER BOOKS OF ACCOUNTS (A)	FIGURES FURNISHED TO THE BANK (B)	DIFFERENCE (B-A)	Nature of difference & Remarks
STOCK				
Q1	3,966.62	4,149.12	182.50	Differences due to submission of estimated figures to bank
Q2	4,022.04	4,300.25	278.21	
Q3	3,614.48	3,868.46	253.98	
Q4	3,297.66	3,537.80	240.14	
TRADE RECEIVABLES				
Q1	2,766.57	3,035.15	268.58	Differences due to submission of estimated figures to bank
Q2	1,903.60	2,092.59	188.99	
Q3	2,155.66	2,359.72	204.06	
Q4	2,236.17	2,435.82	199.65	

- 13 The borrowings availed by the company during the financial year have been used for the specific purposes for which they were availed.
- 34.12 A litigation arising from the failure to honour the material payment terms by the buyers, as per agreement, in respect of an immovable property of the company, being wrongfully pursued by the buyers as a suit for specific performance against the company, is pending before the appropriate court. The company is legally advised that the case is likely to be disposed off in its favour.
- 34.13 All figures have been rounded off to Lakhs unless stated otherwise. Discrepancies, if any, in between the totals and the sum of the items forming part of such totals are due to rounding off in the financial statements. Wherever, figures are indicated as 0.00 lakhs, it represents value less than Rs. 0.01 lakhs due to rounding off to the nearest lakhs.
- 34.14 The financial statements of Lakshmi Mills Company Limited were approved by the Board of Directors and authorised for issue on 28th May 2024.

For and on behalf of the Board

In terms of our report of even date

S. Pathy

R. Santharam

Chairman & Managing Director

Vice Chairman

DIN: 00013899

DIN: 00151333

For Subbachar & Srinivasan

Firm Registration No. 004083S

Chartered Accountants

T.S.V.Rajagopal

Partner

Place : Coimbatore

N. Singaravel

A.Doraiswamy

Date : 28th May 2024

Company Secretary

Chief Financial Officer

Membership No. 200380