

LMW®

LAKSHMI MACHINE WORKS LIMITED

Annual Report 2013-14

Contents

14/32	Management Discussion and Analysis
33/33	Corporate Information
34/39	Directors' Report
40/48	Corporate Governance Report
49/78	Standalone Financial Statements
79/100	Consolidated Financial Statements

Forward looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to know our product portfolio, business logic & direction and comprehend our prospects. This report and other statements – written and oral – that we periodically make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'plan', 'project' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results can vary materially from those anticipated, estimated or projected. Readers may bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



AT LMW, AS WE
GO FORWARD, WE
**GROW
FORWARD.**

Our story is of countering adversity and rising against the odds. It is the story of relentless pursuit of excellence through Accelerated Competency for Managerial Excellence programme (ACME).

WHAT CHANGED?

Our mindset...

We accepted that there was a better way to work. We challenged convention. We embraced the new.

Our culture...

We worked hard. We worked smart. We maximised value-addition.

Our shop-floor...

We enhanced productivity. We reinforced engineering practices. We hastened deliveries.

WHAT IMPROVED?

Our focus...

We reported a sizeable reduction in set-up time for components.

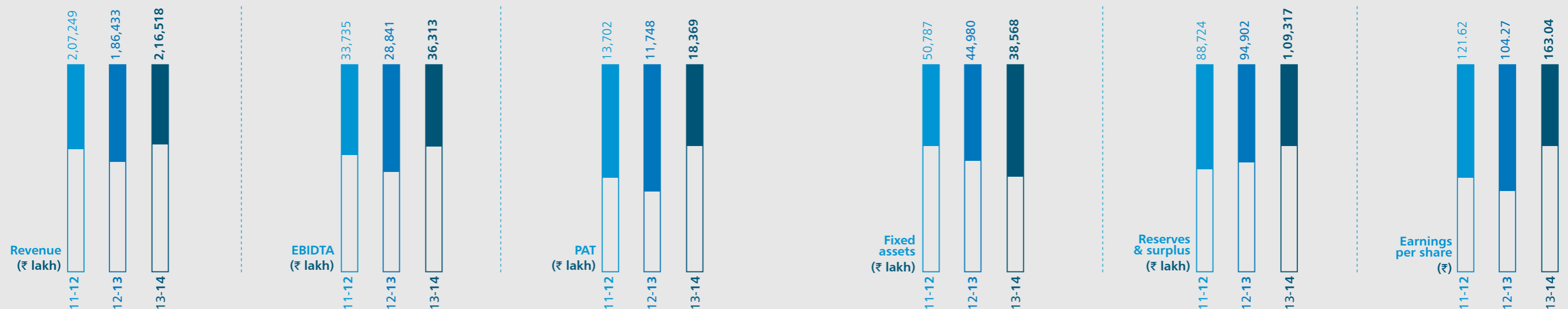
Our drive...

We counted an increase in delivery of machines.

Our momentum...

We recorded reduction in cycle time to manufacture and assemble our machines.

THE STORY IN OUR NUMBERS...



UNCOMPLICATE

Decrease mechanical components in favour of electronic solutions, which made our machines more 'intelligent'

Standardise a number of parts across machines and their variants. We also standardised the thickness of sheet metal in components and sub-assemblies and effected a single display unit for all spinning machines,

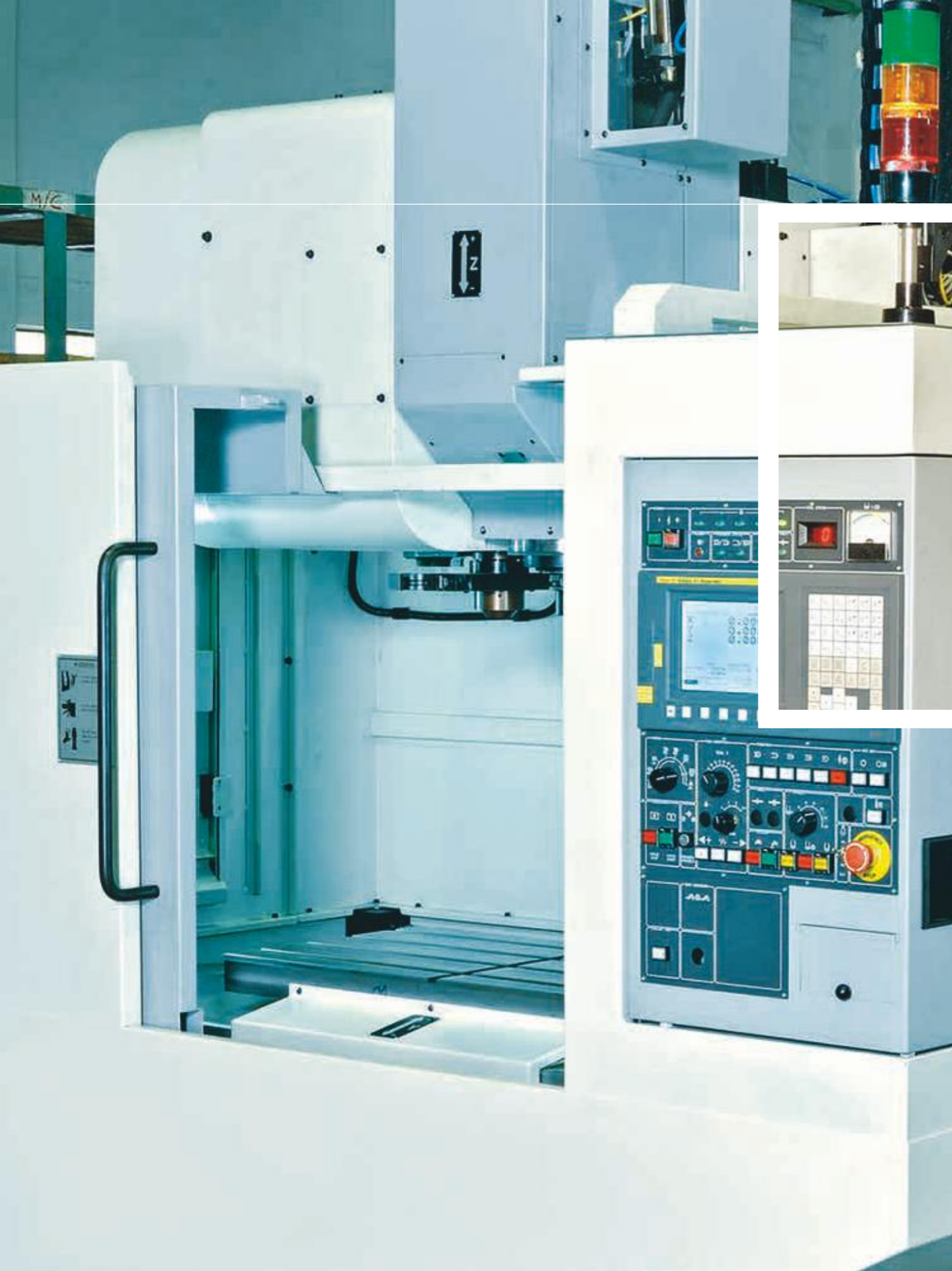
resulting in faster assembly and leaner inventory

Alter the design of machines to make them more cost-effective for our customers. We replaced cast iron parts with sheet metal variants, optimising cost and machining time.

As a result of these initiatives, our customers were supplied globally-benchmarked machines.



We altered the design of machines to make them more cost-effective for our customers.



UN SHACKLE

We facilitated high machine uptime by institutionalising an SOP-based preventive maintenance of all machines.

We manufactured only critical and technology-intensive components

We improved machine utilisation by:

Investing in hydraulic fixtures and high-strength cutting tools (used in CNC machines) and pneumatic tools for more accurate component formation

Possessing in 'all-in-one' CNC machines to undertake

multiple operations on components, saving set-up time

Having dedicated machines for high-volume components/ machine variants

We automated time-consuming operations through:

Implementing laser-cutting for a majority of the sheet metal jobs and by

having dedicated machines for sheet metal bending

Using robots for welding jobs, reinforcing accuracy and reporting almost 4x speeds over manual operations

As a result, our cycle time for component manufacturing has reduced and our component quality improved, thereby improving our productivity.



We are using robots for welding jobs, reinforcing accuracy and reporting almost 4x speeds over manual operations.

UN INTERRUPTED

We developed a bar-coding system for all components coming into the unit, facilitating accurate and real-time inventory management

We adopted a global method for parts replenishment. Under this, we compartmentalised components into three categories (based on usage and value) and adopted different sourcing strategies for each category for accurate and timely component sourcing

We analysed vendor manufacturing processes to optimise their manufacturing cycle time, creating a seamless flow of material into our warehouses

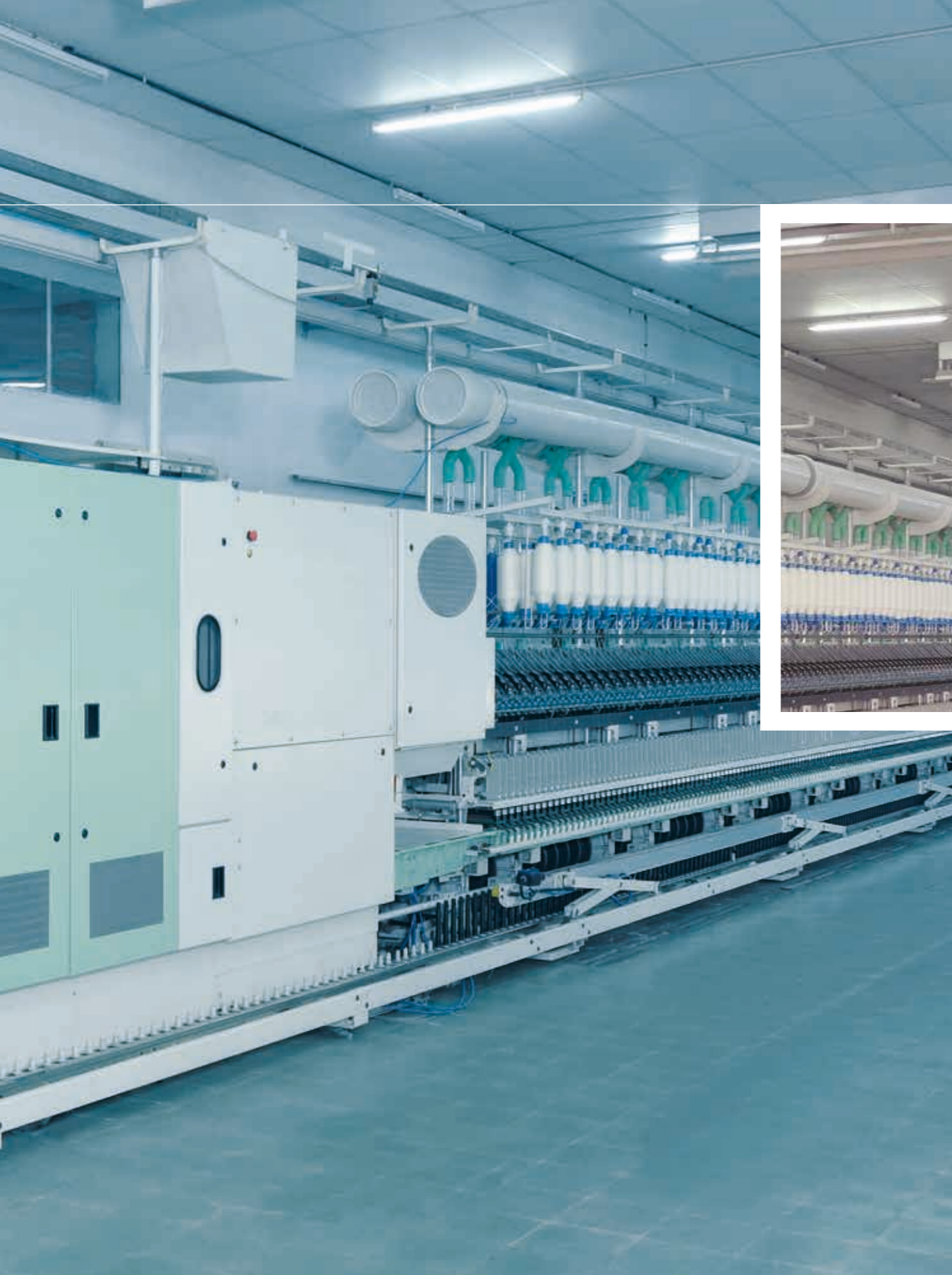
We are implementing the 'milk run collection' system, an institutionalised logistics management system where vehicles

are designated definite component collection routes, making material inflow predictable

As a result, we made our inventory leaner, we optimised our working capital usage, we ensured uniform supplies to the shopfloor and delivered machines faster.



We adopted a global method for parts replenishment. Under this, we compartmentalised components into three categories and adopted different sourcing strategies for each category.



UNLEARN

Institutionalised a system of component movement on trollies, sequentially arranged - facilitating seamless and accurate assembly

We reduced movement on the shopfloor:

Ensured that sub-assemblies were readied and tested before they came to the assembly line

We minimised assembler fatigue:

Created vertically-mobile assembly platforms, facilitating assembly operations at the eye-level

Invested in superior fixtures for better component holding, freeing both hands of the assembler for superior operational flexibility

Provided pneumatic tools for faster and more accurate assembly operations

We released assembler time:

Introduced the base platform concept for auto-levelling of components during assembly

Provided tools, gauges and fixtures, which allowed the assembler to check tolerances while assembling, thereby liberating time otherwise spent on post-assembly quality checks

We created vertically-mobile assembly platforms, facilitating assembly operations at the eye-level.





FROM THE CHAIRMAN'S DESK

"GROWING GLOBALLY..."



THE SOCIALLY RESPONSIBLE CORPORATE

Dear Shareholders,

It is good to realise that today, we are leveraging years of rich experience to embrace newer avenues of excellence.

Despite being a benchmark in our industry space, there is an intense willingness to align ourselves with customer needs. A feeling of strength emanates from a combination of experience and energy, making us a formidable force to reckon with.

The business of today is about swiftness and agility. It is about the 'now' of things.

More than anything else, this is extremely pertinent for the textiles sector. India, on the back of its superior value-proposition (quality, cost and dependability), is readying to emerge as the world's spinning hub. This has coincided with the government framing attractive policies,

giving a strong forward impetus to the sector.

This has resulted in the creation of fresh capacities and has attracted global textile machinery manufacturers to set up base in India, intensifying competition.

In 2011, we kick-started the Accelerated Competence for Manufacturing Excellence (ACME) programme with the single-minded goal of adding value to our customers.

This DNA-transformative initiative has propelled every member of the LMW team to seek novel ways of doing the same things differently thereby multiplying productivity.

The bottomline then is that we have become leaner, fitter and faster. While this is just the beginning, our achievements provide the necessary impetus to intensify our efforts in the holistic implementation of this programme, which will sustain profitable growth in future.

Our strategy is to retain leadership in domestic market while making forays in the global market.

Sanjay Jayavarthanelu
Chairman and Managing Director

While we grew our business, we ensured that the progressive development of society didn't come to a standstill. As a means to this end, LMW has organised a number of initiatives in the fields of health, education, sports, art and culture, environment, among others with our guiding principle being to make a meaningful contribution towards societal upliftment.

Health: An inherent obligation towards healthcare is the hallmark of the LMW culture. The Company organises eye camps in the villages of Perianaickenpalayam and Kaniyur every year. The Company also co-sponsored a half-marathon organised by the Cancer Foundation, Coimbatore for increasing awareness regarding this dreaded ailment.

Education: The Company runs a school in Perianaickenpalayam to cater to the needs for quality education. Moreover, the Company selectively funds the infrastructural needs for other schools in the hinterland.

Sports: The Company sponsors individual sports and team

events with an emphasis on girls. Two schoolgirls have been sponsored for excelling in rifle shooting as a sport. The Company also sponsored various tennis tournaments at the state and national levels.

Art and culture: The Company makes a significant effort to spread awareness about India's rich artistic and cultural heritage. The Company regularly sponsors musical events conducted by reputed institutions and organises art and music competitions for children.

Differently-abled: The Company sponsors various events for the differently -abled. These include art shows, cricket

tournaments and other social welfare programmes.

Rural infrastructure: The Company plays an active role in infrastructural development and as such has part-funded the construction of rural roads. The Company has also sponsored the procurement and installation of solar lanterns.

Environment: The Company has initiated afforestation programmes across all its units. Besides, the Company has also invested in setting up windmills for increasing its reliance on green power.



The Ministry of Corporate Affairs vide notification dated 27th February, 2014 has notified the Companies (Corporate Social Responsibility Policy) Rules, 2014 which is effective from 1st April, 2014. As per Sec 135 of the Companies Act, 2013 read with the said Rules every company having a net worth of ₹500 Crores or more, having a turnover of ₹1,000 Crores or more, having a net profit of ₹5 Crores or more have to spend at least 2% of its average net profits of the Company during the preceding three years for the CSR activities specified under Schedule VII of the Act. In this regard it is notable that Lakshmi Machine Works Limited had already pursued in the past various welfare activities to the society.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economy Overview

As per the data made available by the Central Statistical Organisation (CSO) economic growth during 2013-14 is estimated to be around 4.70% as against the growth rate of 4.50% achieved during 2012-13. This is a clear indication of the fact that the Indian economy has performed far below its potential. Much of the growth during 2013-14 has happened because of robust agricultural activity due to good monsoon.

During the period under review, country's external trade has been impacted by slower than expected economic recovery in the developed markets. On the other hand, a high inflation rate has impacted prices thereby retarding domestic consumption. However the most worrying trend seen during 2013-14 is that of the projected contraction of 0.20% in manufacturing activity as against the growth of 1.10% seen during 2012-13. Given the fact that growth in manufacturing is important for employment generation and poverty eradication, this negative trend has to be reversed as early as possible. According to the Asian Development Bank (ADB), economic recovery would have to be led by improved investment and consumption, but at this stage prospects do not appear promising given the elevated inflation rate, a tight monetary stance, and a weak currency

that will continue to constrain spending. Also, fiscal austerity measures adopted by the Government are likely to be an additional drag on growth.

This grim scenario is however expected to ease during 2014-15 as better growth prospects materialise within developed economies and with the Indian economy starting to experience competitive gains arising from Rupee depreciation. These developments have the potential to drive exports growth. Equally a record agricultural output made possible by good monsoon last year is expected to ease inflation and boost domestic consumption for manufactured products. This is expected to spur investment within the economy. However, during 2014-15 India however faces the threat of a bad monsoon year which in turn can strengthen inflation and dampen growth.



4.7%

India's GDP growth in 2013-14 against 4.50% achieved in 2012-13

2014-15 is expected to be a mixed bag wherein government's sound resolve is needed to convert opportunities and threats to advantage. Sound governance that lays emphasis on clear cut policies that have a definite timetable for implementation is the need of the hour. Government should also be making time-bound decisions on infrastructure development to sustain the economic growth momentum.

Economic and fiscal policies pursued by the government will also dictate the type of monetary policy that the RBI will pursue. Despite a decline in inflation over the past few months, the fight against inflation is far from over and therefore, the fiscal stance of the government and the monetary action of the RBI will have to be supportive of each other.

Segment Information

Your Company has four major product segments namely, the Textile Machinery Division (TMD), Machine Tools Division (MTD), Foundry Division and the Advanced Technology Centre. Besides these divisions, your Company has a Wind Energy Division. Manufacturing units/installation of all these divisions is located in and around Coimbatore, Tamil Nadu, India.



5  **TEXTILE
MACHINERY
DIVISION**

Industry Overview

Textile Industry in India is well-established thereby making the country the second biggest textile manufacturer in the world.

In India the Textile Industry is spread across the value chain. Success of Indian Textile Industry is owed to its ability to integrate vertically, from fibres up until garments. It is encouraging to note that the Indian Textile Industry today is characterised by the presence of both the volume players and niche value adders.

Having been a primordial economic activity, Textiles have always played a very important role in the economic history of our country. Currently, Textiles contribute to about 4% of India's GDP. This industry provides direct employment to about 45 million people. As per the 12th Five Year Plan Working Group on Textiles and Apparel, the textiles sector is expected to create additional employment to about 20 million people by 2020.

According to the Ministry of Textiles, the domestic and exports segment of the Indian Textile and Apparel Industry is expected to grow at a CAGR of 9.30% and 10.20% per annum respectively over the years and reach a size of US\$141 billion and US\$82 billion respectively by 2021.

Despite many natural advantages that the Textile Industry in India has, fundamental issues like inadequate power, shortage of manpower, finance at low interest cost, reluctance to upgrade to contemporary technology, lack of clarity in government policy that continues to plague the industry.

Prospects

- Performance of your Company is closely related to the prospects of textile spinning mills. Expected advantages for Textile Spinning Mills are:

- Helped by the depreciation of Indian Rupee vis-à-vis the US Dollar exports from India of textile products to traditional

markets have become more competitive.

- India enjoys a significant lead in terms of labour cost per hour over developed countries like US and newly industrialised economies like Hong Kong, Taiwan, South Korea and China.

- Government has allocated ₹116 billion under the TUFSS scheme during the Twelfth Five Year Plan Period (2012-2017). This is likely to encourage investments in the sector, especially in the areas of modernization, spinning, weaving, processing and garments.

- Measures announced by various State Governments in India supported by attractive fiscal policies to boost the setting up of Greenfield Projects.

- Presence of an ever growing fashion conscious population compels the textile mills to upgrade their production facilities continuously. This is an opportunity for the Company as continuous upgradation of manufacturing technology and the ability to

provide the complete range of contemporary textile machinery at a competitive price makes your Company a natural partner of choice.

- Your Company is strengthening its presence in overseas markets where textile industry is active. This is expected to boost Company's earnings potential in the near future.

- In depth experience gained by your Company over the years, alongwith a committed work force with specialised skill sets would enable your Company to grab any challenging opportunity.

Challenges

- Acute power shortage, non-availability of trained manpower.

- Competition from Multinational companies. Also, increasingly your Company's global competitors have set up manufacturing facilities in India.

- Eroding margins due to mounting material, power and labour costs.



4%

Textile sector contribution to India's GDP.

TMD Segment performance - 2013-14

Type of machinery	Nos	₹ in Lakhs
Spinning preparatory machines	2,497	75,303.16
Yarn making machine	1,589	90,414.38
Accessories and spares		27,223.54



Outlook

Moderation in inflation rate and an increase in domestic consumption are expected to stimulate demand. Demand for textile products from traditional export markets is expected to boost external demand for Indian Textile Industry. Your Company is augmenting its presence in markets abroad and this is expected to provide substantial business opportunity during the financial year 2014-15. All of this augurs well and presents an opportunity for your Company.



02  MACHINE
TOOL
DIVISION

Industry Overview

India stands 13th in production and 6th in the consumption of machine tools in the world as per Indian Machine Tool Manufacturers' Association (IMTMA).

The country is set to become a key player in the global machine tools industry and is likely to see substantial high-end machine tool manufacturing. Industry experts say that the phenomenon is linked to the spurt in manufacturing, for which the machine tools sector serves as the mother industry.

The Indian Machine tool Industry has around 1000 units in the production of machine tools, accessories/attachments, subsystems and parts. Of these, around 20 are in the large scale

sector accounting for about 70 percent of the turnover and the rest are in the SME sector of the industry. Approximately, 75 per cent of the Indian machine tool producers are ISO certified. While the large organised players cater to India's heavy and medium industries, the small-scale sector meets the demand of ancillary and other units. Many machine tool manufacturers have also obtained CE Marking certification, in keeping with the requirements of the European markets.

As per the statistics released by Indian Machine Tools Manufacturers Association (IMTMA) during 2012-13 production value of the Indian Machine Tool Industry was at ₹3,885 Crores of which ₹214

Crores worth of machinery was exported. During the same period import of machine tools totalled ₹7,598 Crores. Total consumption of machine tools within India was ₹11,265 Crores as against a figure of ₹11,764 Crores logged during the previous year. Reduction in size of the machine tool market size is reflective of slowdown in economic activity.

Prospects

- Growth in aerospace, defence, power and power transmission, infrastructure and auto ancillary industries.

- Government's initiative to stimulate economic growth and plans to boost the share of manufacturing sector to the GDP.

- Continuous research and development efforts and the ability to bring new variants that match with market requirements enable your Company to meet the demand.

Challenges

- Stiff competition from global players in Indian Market.

- Lack of advanced technology matching global competitors.

- Import of second hand machinery, presence of unorganised players.

Segment performance

During the year under review, this division has sold 814 machines during the year for a value of ₹16,147.14 Lakhs.



13th

India's position in the production machine tools in the World

1000 units

Number of units in the Indian Machine tool industry for the production of machine tools, accessories/attachments, subsystems and parts.



Outlook

Globally India is recognised as a cost effective manufacturing hub for engineering goods. Government is also implementing measures to increase the share of manufacturing in GDP to boost employment. Your Company's policy of continuous Research and Development gives it the ability to respond to market requirements.



03



FOUNDRY DIVISION

Industry Overview

The Indian Foundry industry manufactures metal cast components that find application in Auto, Tractor, Railways, Machine Tool, Defence, Earth Moving, Textile, Cement, Electrical, Power, Pumps / Valves industry.

Foundry Industry in India has a turnover of approximately US\$15 billion wherein exports contribute approximately US\$2 billion. The Indian Foundry industry is well established and produced an estimated 9.344 Million MT of various grades of Castings as per International standards. Various types of castings which are produced in India are ferrous, non-ferrous,

Aluminium Alloy, graded cast iron, ductile iron, Steel etc. However, Grey iron castings command a major share of production at approximately 68% of total castings produced.

There are approximately 4,600 units out of which 85% can be classified as Small Scale units and 10% as Medium and 5% as Large Scale units. Around 800 units have International Quality Accreditation.

Your Company has three units with a capacity to produce 54,000 tonnes of castings per annum. A major portion of the castings produced are for captive consumption while the rest is sold both in India and is also exported.

Prospects

- Development of Metro Rail projects in major cities of India, Growth in Power and Power transmission sector is expected to boost demand for castings.

- Your Company has a well-established brand image of having the capacity to manufacture high quality heavy castings

- Adoption of LEAN manufacturing techniques has enabled your Company to manufacture cost effective castings.

- Recognition of your Company's Foundry as a non-polluting facility increases its business opportunities

Challenges

- Continuous increase in input cost

- High cost of transport and warehousing

- Shortage of skilled man power

- Infrastructure bottleneck like power shortage

Segment performance

This division has sold 4,000 MT of ductile iron and grey iron castings valued at ₹6,726.76 Lakhs during the year under review. Out of the total castings sold about 60% accounting for ₹4,058.19 lakhs was exported.



US\$ 15bn

Turnover of India's foundry industry

54,000 tonnes

LMW casting manufacturing capacity per annum

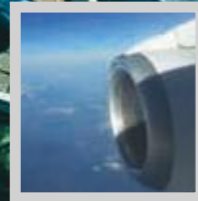
Outlook

Government's commitment to improve infrastructure facilities to attract more foreign direct investment, undertaking of metro rail projects in all major cities, compulsion to install new power projects would all boost the demand for heavy castings.

Adoption of world class manufacturing technology, introduction of LEAN manufacturing programme, internal augmentation plan in the heavy moulding area, focused approach on customers in both the domestic and export markets will enable this division to perform well during the financial year 2014-15.



04



ADVANCED TECHNOLOGY CENTRE

Industry Overview

The global commercial aerospace sector is expected to sustain its significant revenue and earnings growth in 2014-15 driven primarily by the accelerated replacement cycle of obsolete aircraft with next generation fuel-efficient aircraft as well as the continued increases in passenger travel globally. On the other hand, continued decline in global defense spending is expected.

In India the aerospace industry has grown impressively during the past few years. All the segments of the aerospace

industry namely civil aviation, military aviation and space have shown significant growth. From the year 2001, the Indian Aerospace Industry has strongly been supported by the government and the private sector.

The Advanced Technology Centre (ATC) specialises in the manufacture and supply of high precision parts and components required for the aerospace industry. In this regard your Company has created infrastructure and capabilities that are accredited with the AS 9100 Rev B certification and the NADCAP approvals.

Prospects

- Growth in air passenger traffic in India and in the Asia Pacific region is expected to spur demand for new aircraft and also bring growth to the Maintenance, Repair and Overhaul segment.

- Approval for FDI in aviation sector is expected to further strengthen the Indian Civil Aviation market.

- Indian Government is expected to make significant investments in airforce modernization over the years.

Challenges

- Stiff competition from global players in Indian Market.

- Lack of advanced technology matching global competitors.

- Shortage of skilled manpower

Segment performance

During the year under review ATC had a turnover of ₹473.40 Lakhs.



₹473.40 Lakhs

Turnover of ATC in 2013-14.

AS 9100/NADCAP certification

Your Company has created infrastructure and capabilities that are accredited with global approvals.

Outlook

Global and Indian Aerospace Industry is expected to grow in the years to come. This augurs well for the Advanced Technology Centre which is equipped with special equipment and process enabling it to respond to market requirements.

Risk Management

The Company adapts a comprehensive and integrated risk appraisal, mitigation and management process. A separate group called as the Office of Strategy and Risk Management (OSRM) has been formed to identify, evaluate and mitigate risk for the Company. This OSRM team consists of experienced senior officials within the Company. The risk and risk mitigation measures of the Company are being placed before the Board periodically for review and for improvement:

Internal control system and adequacy

The internal control mechanism of the Company is well documented. This is embodied in the Oracle E-Business suite (ERP system). It is a common practice in your Company to lay down well thought out business plan for each year. From the annual business plan detailed budgets for revenue and capital for each quarter is determined. The actual performance is reviewed in comparison with the budget and deviations if any are addressed adequately.

The Company also has an internal audit team commensurate to the size and volume of the business. The internal audit programme covers entire area of functions and activities of the Company.

A Statutory Compliance Audit Team is constituted to check compliance in all areas and report to the management. This facilitates corrective measure to be taken wherever required.

The Audit Committee of Board of Directors meets every quarter to review the reports of Internal and Statutory Audit and to verify all financial statements to ensure compliance.

Human Resource

Your Company enjoys the support of committed and well satisfied human capital. Compensation packages offered by the Company, best of class methods in Recruitment, Training, Motivation, and Performance Appraisal, attract and retain the best in talent. These practices enable the Company to keep the attrition rate well below the industry average. The Balanced Scorecard System is in place and it measures the performance of every employee. The Company had 3,495 employees at the end of the financial year as on 31st March, 2014.

CORPORATE INFORMATION

Board of Directors

Sri. Sanjay Jayavarthanelu, *Chairman and Managing Director*

Sri. M. V. Subbiah, *Director*

Sri. S. Pathy, *Director*

Sri. Basavaraju, *Director*

Sri. Aditya Himatsingka, *Director*

Dr. Mukund Govind Rajan, *Director*

Sri. V. Sathyakumar, *Nominee Director of LIC*

Sri. R. Rajendran, *Director Finance*

Company Secretary

Sri. K. Duraisami

Registered Office

Perianaickenpalayam
Coimbatore-641020

Tel : +91 422 2692371-72, 6612255

Fax : +91 422 2692541-42

E-mail : regd.off@lmw.co.in

Website : www.lakshnimach.com

Corporate Office

34-A, Kamaraj Road
Coimbatore-641018

Tel : +91 422 2221680-82

Fax : +91 422 2220912

E-mail : secretarial@lmw.co.in
investorscell@lmw.co.in

Statutory Auditors

M/s. M. S. Jagannathan & Visvanathan
Chartered Accountants, Coimbatore
M/s. Subbuchar & Srinivasan
Chartered Accountants, Coimbatore

Bankers

Indian Bank
Bank of Baroda
Citibank N.A.
HDFC Bank
IDBI Bank
Standard Chartered bank
Bank of Nova Scotia

Share Transfer Agents

SKDC Consultants Limited
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy
Coimbatore-641006
Tel : +91 422 6549995, 2539835-36
Fax : +91 422 2539837
E-mail : info@skdc-consultants.com

Financial Performance

(₹ in Lakhs)

Particulars	2013-14	2012-13
Gross profit before interest, depreciation, tax	36,313.30	28,841.03
Interest	0.00	0.00
Depreciation	10,251.22	11,772.06
Provision for Taxation	7,692.84	5,321.02
Net profit	18,369.24	11,747.95
Earnings per share (Amount in ₹)	163.04	104.27

On behalf of the Board

Sanjay Jayavarthanelu
Chairman and Managing Director

Coimbatore - 641 018
Date: 23rd May, 2014

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Annual Report together with the audited accounts of your Company for the financial year ended 31st March, 2014.

Financial Results

	₹ in Lakhs	
	2013-14	2012-13
Gross Profit	36,313.30	28,841.03
Depreciation	10,251.22	11,772.06
Profit Before Tax	26,062.08	17,068.97
Provision for Income Tax - Current Tax	8,794.70	6,000.00
- Deferred Tax (Net)	(1,025.76)	(1,181.98)
- Prior year taxes paid	(76.10)	503.00
Profit After Tax	18,369.24	11,747.95
(Add)/Less: Investment Fluctuation Reserve	(1,556.75)	144.94
Balance brought forward	88,465.08	80,698.32
BALANCE AVAILABLE FOR APPROPRIATION	1,08,391.07	92,301.33
APPROPRIATIONS:		
Proposed dividend	3,379.95	2,253.30
Dividend Tax	574.42	382.95
Transfer to General Reserve	1,850.00	1,200.00
Surplus carried to Balance Sheet	1,02,586.70	88,465.08
TOTAL	1,08,391.07	92,301.33

Dividend

Your Directors have recommended payment of a dividend of ₹30/- per equity share of ₹10 each (300%) for the financial year 2013-14 on the equity share capital of ₹11,26,65,040 amounting to ₹3,379.95 Lakhs and to pay a Dividend Tax of ₹574.42 Lakhs.

The dividend, if approved by the shareholders, will be paid to those members or their mandates whose name appear on the Register of Members on 6th August, 2014 for those holding shares on physical form and for those holding shares on dematerialised form dividend will be paid as per the details of beneficial ownership furnished by the depositories, as at the end of business hours on 31st July, 2014.

Operations

During the year under review, your Company has recorded a turnover of ₹2,16,518.15 Lakhs (2012-13: ₹1,86,432.75 Lakhs) resulting in a Net Profit of ₹26,062.08 Lakhs before tax (2012-13: ₹17,068.97 Lakhs).

Increase in demand for textile machinery in domestic and international markets, stability in commodity prices, favourable foreign exchange rates and other input costs have contributed to the increased turnover and profits respectively.

Textile Machinery Division

The Textile Machinery division of your Company during 2013-14 has recorded a turnover of ₹1,92,941.08 Lakhs as against ₹1,62,879.57 Lakhs achieved during the previous year. The turnover for the current year marks an increase of 18.46% over the previous year.

After minimal growth during the previous year, 2013-14 saw demand increase for Indian textile products from traditional markets abroad and for high quality Indian yarn from China. During the same period increased domestic consumption of textile products within India was also seen. All of these factors have revived the fortunes of the Indian textile and apparel industry during 2013-14.

India's globalising textile trade has now exposed the industry to competition wherein manufacturers have to ensure quality and also be cost competitive in the final product that they deliver to the end user. This has made the Indian textile industry to embrace technology and modernise. The drive towards modernization has also invariably helped Indian spinners to develop capacities that are agile to varying market demands.

On the other hand, proactive government initiatives to boost the textile

sector like extension of TUFs during the 12th Five Year Plan Period (2012-2017), initiatives to optimise the operational costs of textile industry, rationalization of taxes on textile products, allocation of funds for setting up of 21 additional integrated textile parks, etc., have led to the onset of a right kind of atmosphere needed for the industry to modernise rapidly.

Globally the demand for niche textile products like functional clothing is picking up rapidly. India is already a big player in production of conventional yarn and currently the shift is also happening rapidly towards the setting up of capacities to offer niche products. This is expected to spur further modernization and capacity building.

India's growing population has been a key driver of textile consumption growth in the country. Changing lifestyle, rising incomes and increasing demand for quality products are set to fuel the demand for apparel.

All of these developments augur well for the Textile Machinery Division of your Company. Augmentation of internal capacity through initiatives under the Accelerated Competency for Manufacturing Excellence Programme (ACME) has helped this division to free up capacity, minimise waste and re-focus its efforts on core strength.

Machine Tool Division

Turnover of the Machine Tool Division during the year under review is ₹16,376.91 Lakhs as against ₹14,442.64 recorded during the last year. The turnover of the Machine Tool Division has registered an increase of 13.39% over the previous year.

The Machine Tool industry globally is moving towards provision of machinery with increased automation. Demand for machine tools in India comes from industries such as automobiles, consumer durables, aerospace, defence, power and power transmission, oil & gas, infrastructure etc. Machine tool manufacturers have started to develop capabilities to cater to this demand.

During the year under review your Company has launched several new machines/variants of existing machinery like Special Pickup Spindle VTL; LVS-25 besides other tooled up and automated solutions. This has enabled your Company to grow positively in the market that otherwise faced a downward trend.

With the expected revival of economic activity in India during 2014-15, the demand for modern machine tools is expected to pick up considerably. Over the years the Machine Tool Division of your Company has strategically invested in modernizing its capacity and capability. This will enable this division to cater to any demand that may arise in future.

Implementation of ACME initiatives has enabled this division to further free up capacity and eliminate waste.

Foundry Division

Your Company's Foundry Division is catering to the internal casting requirements of the Textile and Machine Tool Divisions while a portion of the capacity is utilised for booking outside orders. This has resulted in a turnover of ₹6,726.76 Lakhs as against ₹9,053.32 Lakhs recorded during

the previous year showing a decrease of 25.70% over the previous year. The export turnover constitutes 60.33% of the division's turnover.

The foundry industry is closely tied in with the performance of the infrastructure industry across the globe. Reduction in this division's turnover is reflective of economic slowdown in India and of sluggish economic activity in North America and Europe.

Government plans to boost infrastructure spending across India during 2014-15 is expected to revive the fortunes of this industry. Certain bottlenecks like non-availability of quality iron ore in adequate quantity, disruption in power supply etc. have to be removed to make the Indian Foundry Industry cost competitive.

Your Company's foundry division meanwhile has focused its efforts on identifying and eliminating waste through the ACME programme. These measures will contribute further towards product cost competitiveness.

Advanced Technology Centre

This division has achieved a turnover of ₹473.40 Lakhs during 2013-14 as against the turnover of ₹57.21 Lakhs during the previous year. Being the second year of commercial operation this division has shown a good improvement. This division has received orders from leading international Tier II aerospace product suppliers from USA, France, Canada and Netherlands.

To meet with the increasing requirements, necessary facilities have been established for special chemical milling process, non-conventional machining operation which is used mainly in manufacture of aircraft wings and outer structures. In India, next to HAL, LMW is the only Company to have such a facility.

This division has received suitable quality certification to enable it to qualify for supplying to international orders. With the civil aviation industry expected to expand rapidly in future, this division is well placed to capitalise on market opportunities.

Wind Energy Division

As responsible Corporate citizen, your Company continues to tap the non-conventional and renewable resources of energy namely Wind Power. In an era of acute power shortage, wind energy occupies the center stage in the energy policy of your Company. So far your Company has installed 28 wind mills with a total installed capacity of 36.85 MW. During the year under review the division has generated 855 lakh units as against 945 lakh units generated last year.

Real Estate Activity

During the year under review your Company has entered into a joint development agreement with M/s Sobha Developers Limited for construction of residential apartments. The project is named as 'Elan' and is situated at Parasakthinagar, Ganapathy, Coimbatore. The project is spread over 4.76 acres of land for construction of 236 residential apartments consisting of 1 BHK, 2 BHK & 3 BHK. The project is estimated to be completed by 2016.

Exports

Your Company's efforts to increase exports has yielded good results during 2013-14. During the year under review, your Company has achieved an export turnover of ₹47,559.06 Lakhs as against ₹23,111.33 Lakhs made during the year 2012-13. The details are as below.

		(₹ in Lakhs)	
S No:	DIVISIONS	FY 2013-14	FY 2012-13
1.	Textile Machinery*	43,001.24	16,531.50
2.	CNC Machine Tools	26.23	–
3.	Castings	4,058.19	6,522.62
4.	Aerospace Parts	473.40	57.21
Total Exports		47,559.06	23,111.33

* Exports of Textile Machinery as stated above includes exports worth ₹4,738.24 Lakhs made to the wholly owned subsidiary LMW Textile Machinery (Suzhou) Co., Ltd, China.

Your Company has opened non trading liaison offices in Bangladesh, Vietnam, Indonesia and Turkey and has appointed agents for export of machinery and castings. Our new products are well received in these markets. Our export volume and also our market share in these countries has also increased. It is expected that the export front will do better in the years to come.

Research and Development

Your Company's research and development activities are tuned to:

1. Develop eco-friendly, sustainable, energy efficient, low carbon foot print technologies,
2. Development of technologies for production of innovative machinery, and
3. Development of machines at affordable cost.

To achieve this separate R&D units have been established for the development of textile machinery and CNC Machine Tools. Both the R&D facilities have been recognised by the Department of Science and Technology, Government of India as in-house R&D facilities.

During the year under review your Company has filed applications for 5 new patents and one design registration.

Awards

During 2013-14 your Company has bagged the following Awards:

- 1) R&D Awards for the year 2012-13 given by Textile Machinery Manufacturers Association.
- 2) Central Excise Award for making the highest payment of excise duty and service tax in Coimbatore and an award for being the leading exporter in Coimbatore for the year 2013-14.

Directorate

Sri V.Sathya Kumar, Nominee Director of LIC is liable to retire by rotation at the ensuing Annual General Meeting, being eligible, offers himself for reappointment.

In order to comply with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreements entered into with Stock Exchanges Sri MV Subbiah, Sri Basavaraju,

Sri Aditya Himatsingka and Dr Mukund Govind Rajan are proposed to be appointed as Independent Directors. The said Directors have consented to act as independent Directors and in respect of whom nominations with required deposit have been received from members.

A brief profile of the Director retiring by rotation and seeking re-election, to be provided as per Clause-49 of the Listing Agreement is annexed to the Notice of Annual General Meeting.

Industrial Relations

Relationship with employees remained cordial throughout the year.

Wholly Owned Subsidiary Company

LMW TEXTILE MACHINERY (SUZHOU) CO.LTD. (LMWTMSCL)
Turnover of the Company during the year under review was ₹14,340.86 Lakhs as against ₹15,285.93 Lakhs during the previous year. During the year under review this Company has earned a net profit of ₹998.79 Lakhs (Previous Year : ₹1,315.06 Lakhs).

The consolidated financial results incorporating the financial statements of the above subsidiary company is attached to the Annual Report as required under the Accounting Standard and the Listing Agreement.

Fixed Deposits

The Company has not accepted any fixed deposits.

Listing

Your Company's shares are listed in Madras Stock Exchange Limited, Chennai, Bombay Stock Exchange Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai. Respective listing fees for the above Stock Exchanges up to the year 2014-15 have been paid.

Auditors

The retiring Auditors M/s M S Jagannathan & Visvanathan and M/s Subbarchar & Srinivasan, Joint Auditors of the Company, being eligible

for reappointment, have consented to act as Joint Auditors of the Company if appointed and necessary certificate pursuant to Section 139 of the Companies Act, 2013 has been received from them.

Information Pursuant to Section 217 of the Companies Act, 1956.

Information in accordance with Clause(e) of sub-section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March, 2014 is given in Annexure-I of this Report.

Information in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March, 2014 is given in Annexure - II of this Report.

Additional Disclosures

Management Discussion and Analysis Report, Corporate Governance Report, Segment Report and Related Party Disclosures are provided elsewhere in the Annual Report and forms a part of this Report as required under the Listing Agreement entered into with the Stock Exchanges.

Directors' Responsibility Statement

In compliance of Section-217(2AA) of the Companies Act, 1956 the Directors of your Company confirm that:

- All applicable Accounting Standards have been followed in preparation

of Annual Accounts and that there are no material departures;

- Such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date;

- Proper and sufficient care has been taken for the 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 fraud and other irregularities.

- The Annual Accounts of your Company have been prepared on a going concern basis.

General

Your Directors thank the customers' for their continued support and patronage.

Your Directors also thank the Company's bankers, Selling Agents, vendors, Central and State Government for their valuable assistance.

Your Directors wish to place on record their appreciation for the co-operation and contribution made by the employees at all levels towards the progress of the Company.

On Behalf of the Board

Place: Coimbatore
Date : 23rd May, 2014

Sanjay Jayavarthanavelu
Chairman And Managing Director

ANNEXURE-I

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.

Conservation of Energy

The energy conservation measures of the Company are:

1. Reclamation water is used for Gardening and for cooling through RO plant
2. Introduction of new production methods under ACME initiatives
3. Replacement of Tube lights with CFL lamps.

FORM - B

(See Rule 2)

Form for disclosure of particulars with respect to absorption

TEXTILE MACHINERY DIVISION

A. Research & Development

1. Specific areas in which R&D carried out by the Company	Innovative concepts & Product Development for Spinning machinery by considering ISO quality systems , EOHS aspects using DFSS (Design for Six Sigma)
2. Benefits derived as a result of the above	Development of high performance, cost efficient and user friendly machines.
3. Future plan of action	Development of aesthetically and ergonomically designed new model machines and improvements in existing machines as per customer requirements to aid Indian Textile Industries
4. Expenditure on R & D	₹ in Lakhs
a. Capital	242.32
b. Recurring	1,125.44
c. Total	1,367.76
d. Total R&D expenditure as a percentage of total turnover	0.71%

B. Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards Technology absorption, adaptation and innovation	<ul style="list-style-type: none"> In depth IPR analysis &review Encouraging to register new patents Technical guest lectures in various subjects and specialization and skill building exercise
2. Benefits derived as a result of the above efforts, e.g., development of import substitution etc.,	New model machines with innovative features, improvement in the performance of the machines and enhancement of knowledge base.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year)	
a. Technology imported	Swift Floc/ Ultra Blend
b. Year of Import	2011/2013
c. Has technology been fully absorbed	Yes
d. If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action	Not Applicable

MACHINE TOOL DIVISION

A. Research & Development

1. Specific areas in which R&D carried out by the Company	New Machines – Pick up Spindle VTL- LVS25 with Gantry, VMC- JV55 with APC.
2. Benefits derived as a result of the above	<ul style="list-style-type: none"> Increase in Market Share Increased customer base Increased reach to other Sectors like Oil and Gas, General Engineering. Better Technology available to the Customer at affordable price thereby replacing Imports.
3. Future plan of action	Taken up another 6-8 New Products for development during 2014-15
4. Expenditure on R & D	₹ in Lakhs
a. Capital	108.06
b. Recurring	172.88
c. Total	280.94
d. Total R&D expenditure as a percentage of total turnover	1.72%

B. Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards Technology absorption, adaptation and innovation	HMC-630 Pallet machine is being made with collaboration from M/s. Protidea, Italy. This machine can give good Customer base in Defense and Auto Industries
2. Benefits derived as a result of the above efforts, e.g., development of import substitution etc.,	Gained confidence to Design and Develop of New Products.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year)	
a. Technology imported	i) JM300X (VTL with pickup), Fraunhofer, Germany-2009 ii) HMC-630, M/s. Protidea, Italy
b. Year of Import	i) 2009 ii) 2013
c. Has technology been fully absorbed	Yes
d. If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action	Not Applicable

Foreign Exchange Earnings and Out-go:

(₹ in Lakhs)

Foreign Exchange earned through exports amount to	:	47,897.41
Foreign Exchange used	:	29,537.72

ANNEXURE-II

STATEMENT APPENDED TO DIRECTORS' REPORT PURSUANT TO SECTION-217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

	1	2
Name	Sri. Sanjay Jayavarthanelu	Sri. R. Rajendran
Age (years)	45	69
Designation / nature of duties	Chairman and Managing Director	Director Finance
Remuneration (₹)	7,31,15,016/-	99,44,799/-
Qualification	MBA	B.Com; ACA
Experience (years)	20	43
Date of commencement of employment	3rd June, 1994	1st April, 1971
Last employment before joining the Company	–	–

Note: The remuneration includes Company's contribution to provident fund, gratuity & perquisites and the employment is contractual.

CORPORATE GOVERNANCE REPORT

1. Philosophy on Code of Governance:

LMW's corporate vision is to ensure a sustainable business that delights the customer, thrives to maintain the market leadership position and at the same time positively enhances every stakeholder value. To achieve this, systematic and planned efforts are undertaken by your Company considering organisation's core values and business ethics. LMW consistently partners with its customers to deliver quality products/services on time and at reasonable prices. LMW believes in ethical conduct of business and maintains transparency and accountability in its activities. LMW ensures compliance with all applicable regulations. Your Company is aware of the fact that its ability to meet significant corporate goals is influenced by the extent to which prudent corporate governance policies are devised and adhered to within the organisation. Your Company consistently emphasises its commitment towards creation, monitoring and continuous updation of a strong corporate governance network that will define and drive organisation performance as per its cherished values and commitments to every stakeholder.

2. Board of Directors

The Board provides leadership, strategic guidance and objective judgment in the conduct of the affairs of the Company. The Board upholds the vision, purpose and values of your Company. LMW's Board consists of experienced specialists who are experts in their respective business/profession and have decades of experience to their credit. As a Board, the Directors are committed to ethical and lawful conduct of business and possess the ability to steer the affairs of the Company in the right direction. The Board places emphasis on highest standards of

governance practices which allows the Company to carry on its business in the long term interest of all the stakeholders.

To ensure the participation of all Directors at the board meetings, as a matter of practice, an annual calendar of Board and General Body meetings are determined and intimated to the Directors well in advance. Company ensures that timely and relevant information is made available to all Directors in order to facilitate their effective participation and contribution during meetings and deliberations.

The Board determines strategic policies, approves annual plans & budgets, capital expenditure, new projects, investment plans, conducts performance review, ensures statutory compliance, and risk management etc periodically. A minimum of four meetings of the Board of Directors are held each year, one meeting is held in each quarter and it is ensured that the gap between two meetings does not exceed four months.

Composition:

Board of Directors is constituted in such a way that it strictly conforms to the provisions of the Companies Act, 2013 and to the conditions of the Listing Agreement. The composition of the Board ensures a judicious mix of Executive and Non-Executive Directors as well as the combination of Independent and Non-Independent Directors.

The Board consists of eight Directors, of whom one is the Chairman and Managing Director, one is Director Finance and six are Non-Executive Directors. Out of the six Non Executive Directors, one is a Nominee Director representing LIC as an equity investor.

Position of Board of Directors:

Directors	Position	Other Directorships	Membership in Committees	
			Chairman	Member
Sri Sanjay Jayavarthanavelu	Executive – Chairman and Managing Director	11	-	10
Sri M V Subbiah	Non-Executive – Independent	2	2	-
Sri S Pathy	Non-Executive – Non Independent	10	-	1
Sri Basavaraju	Non-Executive – Independent	1	-	3
Sri Aditya Himatsingka	Non Executive – Independent	5	-	4
Dr. Mukund Govind Rajan	Non Executive – Independent	2	1	-
Sri. V. Sathyakumar	Non-Executive – Non Independent Nominee of LIC	-	-	-
Sri R Rajendran	Executive – Non Independent	-	-	1

Number of chairmanship / membership in committees of all the Directors are within the limits specified in Clause 49 (l) (c) (ii) of the Listing Agreement.

Board Meetings and Attendance

During the year under review, four Board meetings were held on 22nd May, 2013, 5th August, 2013, 30th October, 2013 and 20th January, 2014. Details of attendance of each Director at the meetings of the Board, Share Transfer Committee and AGM held during the financial year ended 31st March, 2014 are as follows:

Directors	Board Meeting (4)*	Share Transfer Committee (18)*	Last AGM Attended (Yes/No)
Sri Sanjay Jayavarthanavelu	4	18	Yes
Sri M V Subbiah	4	-	Yes
Sri S Pathy	3	-	Yes
Sri R Satagopan (upto 5th August, 2013)	1	-	No
Sri Basavaraju	4	-	Yes
Sri Aditya Himatsingka	4	-	Yes
Dr Mukund Govind Rajan	4	-	Yes
Sri V. Sathyakumar	4	-	Yes
Sri R Rajendran	4	18	Yes

* The figures within brackets denote the number of meetings held during the year 2013-14.

Directors' inter-se relationship, details of shareholding and brief resume of Directors seeking reappointment are provided as annexure to the Notice of Annual General Meeting.

Shareholding of Non-Executive Directors

Sl No	Name of the Director	Number of shares held
1	Sri M V Subbiah	-
2	Sri S Pathy	1,420
3	Sri Basavaraju	-
4	Sri Aditya Himatsingka	-
5	Dr Mukund Govind Rajan	-

Remuneration of Directors

The Non-Executive Directors of the Company are remunerated in two ways viz., sitting fees and commission. Sitting fees is paid to the Non-Executive Directors for attending the meetings of Board of Directors and the committees thereof at the rate of ₹20,000/- per meeting.

In addition to the sitting fees, Commission, as approved by the shareholders at the Annual General Meeting held on 5th August, 2013, is paid in the aggregate for all Non Executive Directors up to 1% of the net profits per annum. The amount of commission payable to each Non-Executive Director is determined by the Board.

Remuneration payable to Executive Directors consists of salary, perquisites and commission. Remuneration to Executive Directors is determined by the Remuneration Committee of Board of Directors and is approved by the shareholders at the General Meeting. No sitting fee is being paid to the Executive Directors for attending Board meetings and Committee meetings.

Remuneration to Executive Directors and Sitting Fees to Non-Executive Directors for the year ended 31st March 2014 are as below: (Amount in ₹)

Name	Salary	Perquisites	Sitting fee	Commission	Total
Sri. Sanjay Jayavarthanavelu	1,62,00,000	52,63,256	-	5,16,51,760	7,31,15,016
Sri M V Subbiah	-	-	1,40,000	5,00,000	6,40,000
Sri S Pathy	-	-	80,000	5,00,000	5,80,000
Sri Basavaraju	-	-	1,80,000	5,00,000	6,80,000
Sri V Sathyakumar (Nominee of LIC)	-	-	80,000*	5,00,000*	5,80,000
Sri Aditya Himatsingka	-	-	1,60,000	5,00,000	6,60,000
Dr Mukund Govind Rajan	-	-	1,60,000	5,00,000	6,60,000
Sri R Rajendran	74,94,643	24,50,156	-	-	99,44,799

* Paid to Life Insurance Corporation of India

No benefits, other than the above are given to the Directors. No Stock Option, Performance linked incentives and severance fees are given to Directors.

Committees of Directors

To assist the Board to ensure effective compliance of all the statutory requirements and for efficient conduct of business of the Company, the Board has constituted various Board Committees. The scope, role and responsibilities of such Committees were clearly defined in the terms of reference of each Committee as per the statutory requirements. The details of the Board Committees and their operations are as follows:

(i) Audit Committee:

The Audit Committee was constituted to review the financial statements, annual budgets, internal control systems, accounting policies and practices, internal audit and administration. The audit committee consists of the following Directors:

1. Dr Mukund Govind Rajan – *Chairman*
2. Sri Aditya Himatsingka
3. Sri Basavaraju

Sri K Duraisami, Company Secretary serves as the Secretary of the Committee. Director Finance (CFO) of the Company, Statutory Auditors, Internal Auditor and the Company Secretary are always present at the Audit Committee meetings. The Audit committee would assure to the Board compliance of adequate internal control system, compliance of Accounting Standards, financial disclosure and other issues conforming to the requirements specified by the Companies Act, 2013 and by the Stock Exchanges in terms of Listing Agreement. The committee meets once in every quarter to carryout its business.

The committee met four times during the financial year under review on 22nd May, 2013, 5th August, 2013, 30th October, 2013 and 20th January, 2014. Details of attendance of members are as follows:

Date of Meetings and Attendance:

Name of the Member	Attendance of meetings held on :			
	22.05.13	05.08.13	30.10.13	20.01.14
1. Sri R Satagopan (upto 5th August, 2013)	√	–	–	–
2. Dr Mukund Govind Rajan	√	√	√	√
3. Sri Aditya Himatsingka	√	√	√	√
4. Sri Basavaraju	√	√	√	√

(ii) Shareholders / Investors Grievance Committee

This committee has been formed to specifically focus on the services to shareholders/ investors. The committee periodically reviews the services rendered to the shareholders particularly redressal of complaints of the shareholders like delay in transfer of shares, non-receipt of balance sheet, non receipt of declared dividends etc., and also the action taken by the Company on the above matters.

The committee was reconstituted with effect from 5th August, 2013 and the present committee consists of the following Directors as its members:

1. Sri M V Subbiah – *Chairman*
2. Sri Basavaraju
3. Sri R Rajendran

Sri K Duraisami, Company Secretary serves as the Compliance Officer.

During the year under review 6 letters / complaints were received from the investors which were adequately addressed to the satisfaction of the investors. No complaint /query is remaining unresolved as on 31st March, 2014.

The Committee met two times during the financial year ended 31st March, 2014, on 5th August, 2013 and on 20th January, 2014. Details of attendance of members are as follows.

Date of Meetings and Attendance:

Name of the Member	Attendance of meetings held on	
	05.08.2013	20.01.2014
1. Sri M V Subbiah	√	√
2. Sri Basavaraju	√	√
3. Sri R Rajendran	√	√

(iii) Shares and Debentures Committee

The Shares and Debentures Committee consists of the members of the Board, Company Secretary and nominees of Share Transfer Agents. At present there are 6 members in the Committee. This committee reviews and approves transfers, transmission, split, consolidation, issue of duplicate share certificate, recording change of name, transposition of names etc. in equity shares of the Company. Shareholder requests on the above matters are being processed and certificates returned to them within 15 days from the date of receipt. The committee had met eighteen times during the financial year ended 31st March, 2014.

(iv) Remuneration Committee

This Committee was formed for determining remuneration payable to Executive Directors. During 2013-14 the committee was reconstituted and the reconstituted committee consists of the following Directors:

1. Sri M V Subbiah – *Chairman*
2. Sri S Pathy
3. Sri Basavaraju

The committee has met on 22.05.2013 for determining the remuneration of Director Finance on his reappointment effective from 02.02.2014 to 01.02.2016.

3. General Body Meetings

Information regarding Annual General Meetings and Extra ordinary General Meeting held during the last three Financial Years is given below:

Location	Time	Day	Date
AGM Nani Kalai Arangam, Mani Higher Sec. School, Coimbatore- 641 037	03.00 P.M.	Wednesday	10.08.2011
AGM -do-	03.00 P.M.	Wednesday	06.08.2012
AGM -do-	03.30 P.M.	Monday	05.08.2013

Details of Special Resolutions passed at the above Annual General Meetings / Extra Ordinary General Meeting:

a. At the AGM held on 10th August, 2011 the following special resolutions were passed:

- (i) Approval for remuneration payable to Sri Sanjay Jayavarthavelu, Managing Director.
- (ii) Approval for remuneration payable to Sri R Rajendran, Director-Finance.
- (iii) Approval for withdrawal of delisting application from Madras Stock Exchange.

b. No special resolution was passed at the AGM held on 6th August, 2012.

c. At the AGM held on 5th August, 2013 the following special resolutions were passed:

- (i) Approval for appointment of Sri Basavaraju as Director.
- (ii) Approval for commission payable to Non-Executive Directors.
- (iii) Approval for reappointment and remuneration payable to Sri R Rajendran, Director Finance.

4. Disclosures:

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

It is confirmed that:

- no penalty or strictures have been imposed on the Company by any Regulatory authority for non-compliance of any laws.

- no non Mandatory requirement is complied with except the constitution of Remuneration Committee.
- no whistle blower policy is adopted by the Company however no person is denied access to the Audit Committee.
- no differential treatment from the prescribed accounting standard is followed in preparation of financial statements

Disclosure of Directors Inter-se Relationships

As on 31.03.2014, none of the Directors of the Company are related to each other.

5. Means of Communication:

The Company is conscious of the importance of timely dissemination of adequate information to the stakeholders. The dates of Board Meetings, General Body meetings, Book Closures and Quarterly results are being published in The Hindu Business Line, an English daily and Dinamalar, a Tamil daily Newspaper and are also informed to Stock Exchanges regularly.

Besides, the Company's Profile, Corporate Information, Quarterly and Annual Financial Statements, Annual Reports, Shareholding Pattern, Corporate Governance Report, Code of Conduct for Directors and Officers and Product Range is being kept posted and updated in the Company's web-site www.lakshmimach.com

6. Shareholders' Information

Annual General Meeting

Day and Date	Wednesday the 6th August, 2014
Time	3.30 PM
Venue	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037

Financial Calendar

Particulars	Dates
Financial Year	1st April to 31st March
Announcement of Annual Results 2013-14	23rd May,2014
Posting of Annual Reports of 2013-14	12th July, 2014
Last date for receipt of Proxy forms for the above indicated AGM	Up to 03.30 PM on 4th August, 2014
Announcement of Quarterly Results for the Financial Year 2014-15	Aug-2014, Oct-2014, Feb-2015 and May-2015
Date of Book Closure	Friday, the 1st August, 2014 to Wednesday the 6th August, 2014 (both days inclusive)
Dividend payment date	On or before 5th September, 2014

Listing on Stock Exchanges

The equity shares of the Company are listed in:

1. Madras Stock Exchange Limited, Chennai
2. Bombay Stock Exchange Limited, Mumbai
3. National Stock Exchange of India Limited, Mumbai

Stock codes & ISIN number

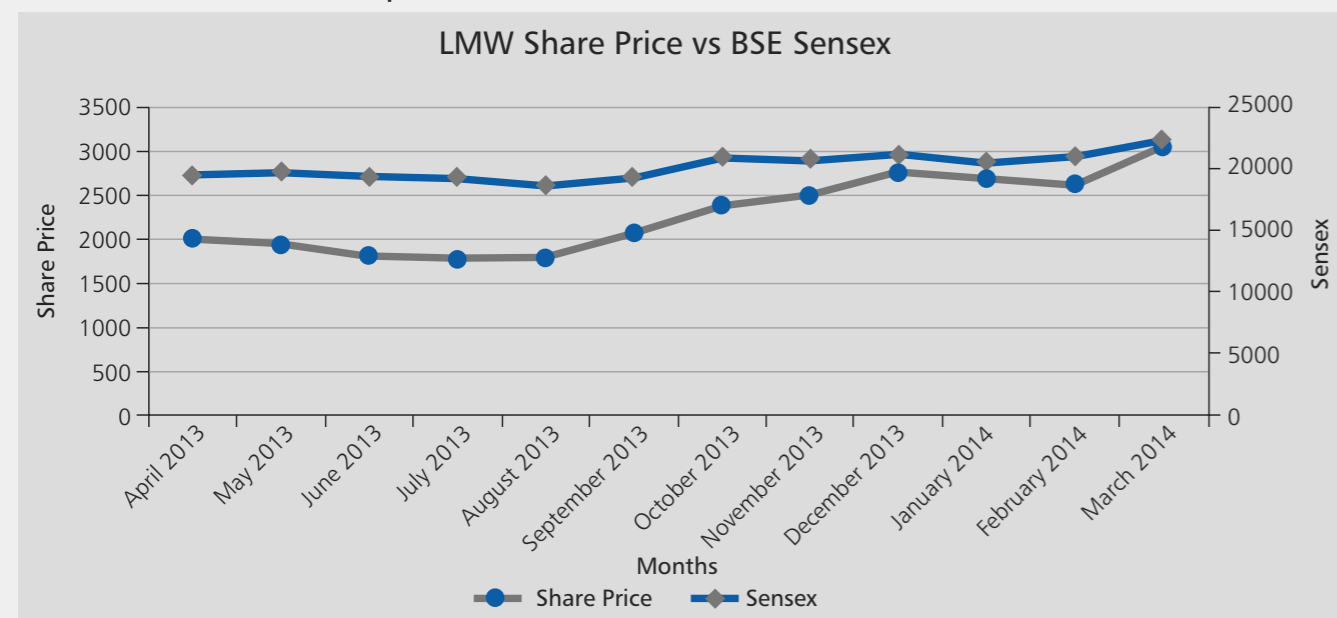
Stock Exchanges	Code No.	ISIN No.
1. Madras Stock Exchange Limited	LMW	INE269 B 01029
2. Bombay Stock Exchange Limited	500252	-do-
3. National Stock Exchange of India Limited	LAXMIMACH	-do-

Market Price of Shares

The monthly High & Low of Company's share price quoted in NSE / BSE during the financial year 2013-14 are given below: (Amount in ₹)

Month	NSE		BSE	
	High Price	Low Price	High Price	Low Price
Apr-13	2,048	1,808	2,035	1,817
May-13	2,130	1,933	2,129	1,940
Jun-13	2,036	1,775	2,032	1,760
Jul-13	1,920	1,721	1,930	1,725
Aug-13	1,870	1,730	1,850	1,726
Sep-13	2,119	1,785	2,125	1,781
Oct-13	2,412	2,026	2,411	2,040
Nov-13	2,535	2,356	2,531	2,356
Dec-13	2,920	2,450	2,920	2,460
Jan-14	2,870	2,551	2,869	2,550
Feb-14	2,799	2,600	2,800	2,602
Mar-14	3,140	2,635	3,130	2,625

Share Price Performance in Comparison with BSE Sensex



Registrar & Share Transfer Agents

Transfer, transmission, transposition of name, split, consolidation, recording change of name of shareholders, issue of duplicate certificate, dematerialisation, rematerialisation and such other matters relating to the shares of the Company are entrusted to the share transfer agents M/s. SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/1-A, Sathy Road, Ganapathy, Coimbatore – 641006. They are the connectivity providers for Demat Segment.

Share Transfer System:

Share transfers are registered and share certificates are returned within a period of 15 days from the date of receipt, if documents are in order. The share transfers etc., are approved by Shares and Debenture Committee.

Shareholding Pattern as on 31st March, 2014

S.No.	Category	No. of shareholders	No. of shares held	% to paid up capital
01	Promoters and Promoters Group	19	31,93,625	28.35
02	Financial Institutions, Banks and Mutual Funds	35	11,67,625	10.36
03	Insurance Companies	4	14,29,925	12.69
04	Bodies Corporate	771	22,51,802	19.99
05	Directors and relatives	3	4,500	0.04
06	HUF and others	723	5,52,739	4.91
07	Non Resident Indians	278	72,061	0.64
08	Foreign national	1	240	0.00
09	FIs	30	2,18,626	1.94
10	Individuals (general public)	22,594	23,75,361	21.08
Total		24,458	1,12,66,504	100.00

Distribution of shareholding as on 31st March, 2014

Range (No. of shares)	No. of shares	% to total number of shares	No. of shareholders	% to total number of shareholders
0001 – 500	7,90,972	7.02	23,775	97.21
0501 – 1000	2,25,918	2.00	297	1.21
1001 – 2000	2,39,425	2.13	167	0.68
2001 – 3000	1,31,569	1.17	52	0.21
3001 – 4000	1,13,532	1.01	32	0.13
4001 – 5000	1,11,274	0.99	24	0.10
5001 – 10000	3,13,398	2.78	41	0.17
10001 and above	93,40,416	82.90	70	0.29
Total	1,12,66,504	100.00	24,458	100.00

Dematerialisation of Shares

As on 31st March, 2014, 1,05,25,362 equity shares constituting 93.42% percent of the paid up capital of the Company has been dematerialised.

As required under the amended clause 5A of the listing agreement, share certificates issued on the subdivision of the face value of the shares and remaining unclaimed after giving three reminders under registered post to their last known address, has been transferred to separate Demat account opened in the name Lakshmi Machine Works Limited-Unclaimed Suspense Account with Stock Holding Corporation of India. The details of the unclaimed shares are as follows:

Sl no	Particulars	No of shareholders	No of shares
1	No. of shareholders and shares at the beginning of the year	375	70,580
2	No. of shareholders and shares claimed during the year	15	3,730
3	No. of shareholders to whom shares transferred during the year and No. of shares transferred	15	3,730
4	No. of shareholders and the shares outstanding at the end of the year	360	66,850

The voting right in respect of the above unclaimed shares is remaining frozen.

7. Plant Locations

The Company's plants are situated at the following locations:

Textile Machinery Division

Unit - I	Perianaickenpalayam, Coimbatore – 641 020
Unit - II	Kaniyur, Coimbatore - 641 659
Unit –III	Muthugoundenpudur, Coimbatore - 641 406

Other Divisions

Machine Tool Division	Arasur,	Coimbatore - 641 407
Foundry Division	Arasur,	Coimbatore - 641 407
Foundry and Machine shop	Arasur,	Coimbatore - 641 407
Advanced Technology Centre	Ganapathy,	Coimbatore – 641 006
Wind Mill Division	Udumalpet (TK),	Tirupur District
Basic Training Division	Ganapathy,	Coimbatore – 641 006

8. Address for Correspondence

All correspondence should be addressed to:

The Company Secretary
Lakshmi Machine Works Limited
 Corporate Office
 34-A, Kamaraj Road
 Coimbatore - 641 018
 E-mail: secretarial@lmw.co.in; investorscell@lmw.co.in

Coimbatore
 23rd May, 2014

For and on behalf of the Board

Sanjay Jayavarthanelu
Chairman and Managing Director

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

TO THE MEMBERS OF
LAKSHMI MACHINE WORKS LIMITED

We have examined the compliance of conditions of Corporate Governance by Lakshmi Machine Works Limited, for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

For **M S Jagannathan & Visvanathan**
Chartered Accountants, Auditors

M J Vijayaraghavan
(Partner)
 Membership No.7534

Place : Coimbatore
 Date : 23rd May, 2014

For **Subbachar & Srinivasan**
Chartered Accountants, Auditors

T S V Rajagopal
(Partner)
 Membership No. 200380

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

I hereby declare that the Board of Directors of the Company have adopted a Code of Conduct for the Board members and Senior Management of the Company and the same has also been posted in the Company's website and that all the Board members and Senior Management personnel to whom this Code of Conduct is applicable have affirmed the Compliance of the said Code of Conduct during the year 2013-14.

Coimbatore
 23rd May, 2014

Sanjay Jayavarthanelu
Chairman and Managing Director

CEO & CFO CERTIFICATE

The Board of Directors
Lakshmi Machine Works Limited
Coimbatore

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

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

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2014 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee
 - i) significant changes in internal control over financial reporting during the year ;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) that there were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Coimbatore
Date: 23rd May, 2014

R. Rajendran
Director Finance (CFO)

Sanjay Jayavarthanavelu
Chairman and Managing Director (CEO)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
LAKSHMI MACHINE WORKS LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of M/s Lakshmi Machine Works Limited (`the Company`) which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management`s Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor`s Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor`s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company`s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion and to the best of our information and according

to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor`s Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and
 - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M.S.JAGANNATHAN & VISVANATHAN
Firm Regn.No: 001209S
CHARTERED ACCOUNTANTS

For SUBBACHAR & SRINIVASAN
Firm Regn. No: 004083S
CHARTERED ACCOUNTANTS

[M.J.VIJAYARAGHAVAN]
Partner
Membership No: 7534

[T.S.V.RAJAGOPAL]
Partner
Membership No:200380

Place: Coimbatore
Date: 23rd May, 2014

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of M/s Lakshmi Machine Works Limited ('the Company') for the year ended 31 March 2014. We report that:

1. In respect of its Fixed Assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The company has physically verified fixed assets during the year in accordance with a regular and phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company and nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c. The company has not disposed off any substantial part of fixed assets during the year that affects the going concern assumption.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification as compared to the book records.
3. (a) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) During the year the company has not given any unsecured loans to parties covered in the register maintained under Section 301 of the Companies Act, 1956. However, in respect of loans given in an earlier year the maximum amount outstanding during the year was ₹650 Lakhs and the year end balance was ₹450 Lakhs.
 - (c) In our opinion, the rate of interest and other terms and conditions on which loans have been given are not prima facie, prejudicial to the interests of the company and the repayment of principal amount and payment of interest are regular as stipulated and there are no overdue amounts.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. We have not observed any major weaknesses in internal control systems during the course of our audit.
5. In respect of contracts or arrangements referred to in Sec. 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, particulars of such contracts or arrangements have been entered in the register required to be maintained under Sec. 301 of the Companies Act, 1956.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public and as such clause 4(vi) of the Order is not applicable.
7. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Sec. 209(1)(d) of the Companies Act, 1956, as applicable to the company, and are of the opinion that prima facie the prescribed 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.
9. According to the information and explanations given to us in respect of the statutory dues:
 - a. The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2014 for a period of more than six months from the date they became payable.

- b. The details of disputed statutory dues are as under:

Name of the Statute	Nature of the dues	Amount [₹In Lakhs]	Amount paid/ adjusted	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	472.63	NIL	Appellate authorities upto Commissioner's Level ₹309.17 Lakhs CESTAT ₹141.76 Lakhs High Court ₹21.70 Lakhs
Income Tax Act, 1961	Income Tax and Interest	653.26	329.14	Commissioner of Income Tax (Appeals) ₹543.20 Lakhs ITAT ₹110.06 Lakhs

10. The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. The company has no borrowings from financial institutions, banks and debenture holders and as such reporting under clause (xi) of the Order is not applicable to the company.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/society and as such reporting under clause (xiii) of the Order is not applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures and other investments and as such clause (xiv) of the Order is not applicable to the company.
15. According to the information and explanations given to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, no term loans were availed by the company during the year.
17. The company has not raised any funds on short term basis.
18. The company has not made any preferential allotment of shares during the year.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year that causes the financial statements to be materially misstated.

For M.S.JAGANNATHAN & VISVANATHAN Firm Regn.No: 001209S
CHARTERED ACCOUNTANTS

[M.J.VIJAYARAGHAVAN]
Partner
Membership No: 7534

Place: Coimbatore
Date: 23rd May, 2014

For SUBBACHAR & SRINIVASAN Firm Regn. No: 004083S
CHARTERED ACCOUNTANTS

[T.S.V.RAJAGOPAL]
Partner
Membership No:200380

BALANCE SHEET AS AT 31ST MARCH, 2014		(₹ in Lakhs)	
PARTICULARS	Note No	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,126.65	1,126.65
Reserves and surplus	4	1,09,317.00	94,902.13
Non-current liabilities			
Deferred tax liabilities (Net)	5	264.43	1,290.19
Other Long term liabilities	6	22,317.31	23,403.51
Current liabilities			
Trade payables	7	29,214.32	25,376.51
Other current liabilities	8	35,389.71	30,404.38
Short-term provisions	9	4,633.05	2,977.77
TOTAL		2,02,262.47	1,79,481.14
ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible assets	10	37,987.45	43,050.36
(ii) Intangible assets		306.96	608.69
(iii) Capital work-in-progress		273.18	1,320.97
SUB TOTAL		38,567.59	44,980.02
Non-current investments	11	12,882.93	10,382.50
Long-term loans and advances	12	2,237.83	2,494.91
Current assets			
Inventories	13	28,062.69	22,570.27
Trade receivables	14	18,278.95	12,000.81
Cash and cash equivalents	15	87,939.24	74,969.45
Short-term loans and advances	16	9,276.39	8,641.30
Other current assets	17	5,016.85	3,441.88
TOTAL		2,02,262.47	1,79,481.14
Significant Accounting Policies	2		
Additional information to financial statements	24		

Accompanying notes form part of the financial statements

Sanjay Jayavarthanelu
Chairman and Managing Director

R. Rajendran
Director Finance

K.Duraisami
Company Secretary

Place : Coimbatore
Dated : 23rd May, 2014

In terms of our Report of even date
For M.S.Jagannathan & Visvanathan
Firm Registration No: 001209S
Chartered Accountants

per M.J.Vijayaraghavan
Partner
M.No.7534

For Subbachar & Srinivasan
Firm Registration No: 004083S
Chartered Accountants

per T.S.V.Rajagopal
Partner
Membership No: 200380

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014		(₹ in Lakhs)	
PARTICULARS	Note No	Year ended 31st March, 2014	Year ended 31st March, 2013
REVENUE			
Revenue from operations	18	2,42,577.86	2,11,146.15
Less: Excise Duty		18,415.56	19,433.14
		2,24,162.30	1,91,713.01
Other income	19	11,548.45	7,871.56
Total Revenue		2,35,710.75	1,99,584.57
EXPENSES			
Cost of materials consumed	20	1,42,162.98	1,20,149.73
Changes in inventories of finished goods and work-in-progress and Stock-in-Trade	21	(2,695.80)	(2,261.81)
Employee benefits expense	22	22,691.55	17,957.04
Finance costs	24.18	55.98	36.60
Depreciation		10,251.22	11,772.06
Other expenses	23	36,366.83	34,861.98
Total Expenses		2,08,832.76	1,82,515.60
Profit before exceptional items and tax		26,877.99	17,068.97
Exceptional item- Voluntary retirement scheme payments		815.91	-
Profit after exceptional items before tax		26,062.08	17,068.97
Tax expense:			
Current tax		8,794.70	6,000.00
Deferred tax (Net)		(1,025.76)	(1,181.98)
Prior year taxes		(76.10)	503.00
Profit after tax		18,369.24	11,747.95
Earnings per equity share:			
Basic and Diluted Earnings per share (in ₹) (Face value ₹ 10/- per share)		163.04	104.27
Significant Accounting Policies	2		
Additional information to financial statements	24		

Accompanying notes form part of the financial statements

Sanjay Jayavarthanelu
Chairman and Managing Director

R. Rajendran
Director Finance

K.Duraisami
Company Secretary

Place : Coimbatore
Dated : 23rd May, 2014

In terms of our Report of even date
For M.S.Jagannathan & Visvanathan
Firm Registration No: 001209S
Chartered Accountants

per M.J.Vijayaraghavan
Partner
M.No.7534

For Subbachar & Srinivasan
Firm Registration No: 004083S
Chartered Accountants

per T.S.V.Rajagopal
Partner
Membership No: 200380

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014		(₹ in Lakhs)	
PARTICULARS	Year ended 31st March, 2014	Year ended 31st March, 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit after exceptional items (VRS Expenses of ₹815.91; P.Y. ₹Nil) before tax	26,062.08	17,068.97	
Adjustments for :			
Depreciation	10,251.22	11,772.06	
Finance cost	55.98	36.60	
Profit on sale of assets	(1,814.64)	(409.09)	
Loss on sale of assets	12.19	11.53	
Interest income	(7,882.67)	(6,938.77)	
Dividend income	(61.06)	(46.63)	
Profit on sale of investments	(119.06)	-	
Unrealised Loss / (Gain) on Foreign Currency Cash and cash equivalents	(0.01)	(0.42)	
	441.95	4,425.28	
Operating Profit before Working Capital Changes	26,504.03	21,494.25	
(Increase)/Decrease in trade and other receivables	(7,997.43)	6,305.27	
(Increase)/Decrease in inventories	(5,492.43)	(1,636.93)	
Increase/(Decrease) in trade and other payables	8,128.12	(9,900.28)	(5,231.94)
Cash generated from operations	21,142.29	16,262.31	
Direct taxes paid	8,631.03	6,501.93	
Net Cash from Operating activities [A]	12,511.26	9,760.38	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed assets/Capital Work In Progress	(4,070.00)	(4,378.91)	
Proceeds from sale of fixed assets	2,033.66	558.76	
Interest received	7,205.44	7,614.06	
Dividend received	61.06	46.63	
Loans received back	344.00	296.00	
Sale of Investments	182.49	-	
Investment in Wholly owned subsidiary	(2,563.86)	(1,625.20)	
(Increase)/Decrease in Bank balances not considered as cash and cash equivalent	(12,639.34)	(5,915.77)	
Net cash used in investing activities [B]	(9,446.55)	(3,404.43)	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014		(₹ in Lakhs)	
PARTICULARS	Year ended 31st March, 2014	Year ended 31st March, 2013	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	(2,289.94)	(5,589.45)	
Corporate dividend taxes paid	(382.95)	(913.85)	
Transfer of Unpaid Dividends/Debentures to IEPF	(17.40)	(6.18)	
Finance cost	(43.98)	(27.38)	
Net cash used in financing activities [C]	(2,734.27)	(6,536.86)	
Net increase in cash and cash equivalents (A+B+C)	330.44	(180.91)	
Cash and cash equivalents at beginning of the period - D	1,044.79	1,225.28	
Cash and cash equivalents at end of the period - E	1,375.23	1,044.37	
Net increase in cash and cash equivalents (E-D)	330.44	(180.91)	
Cash & Cash equivalents as per Balance Sheet	1,375.24	1,044.79	
Unrealised Loss / (Gain) on Foreign Currency Cash and cash equivalents	(0.01)	(0.42)	
Cash and Cash equivalents as per Cash flow Statement	1,375.23	1,044.37	
Note : Cash and cash equivalents include the following balances not available for use :			
Unpaid dividend warrant account	98.26	152.30	

In terms of our Report of even date
For M.S.Jagannathan & Visvanathan
Firm Registration No: 001209S
Chartered Accountants

Sanjay Jayavarthanelu
Chairman and Managing Director

per M.J.Vijayaraghavan
Partner
M.No.7534

R. Rajendran
Director Finance

K.Duraisami
Company Secretary

For Subbachar & Srinivasan
Firm Registration No: 004083S
Chartered Accountants

Place : Coimbatore
Dated : 23rd May, 2014

per T.S.V.Rajagopal
Partner
Membership No: 200380

Notes forming part of Financial Statements

1 CORPORATE INFORMATION

Lakshmi Machine Works Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on three stock exchanges in India. The company is engaged in the manufacturing and selling of textile spinning machinery, CNC Machine Tools, Heavy castings and parts and components for Aero space industry. The company caters to both domestic and international markets.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Method of accounting

The financial statements are prepared under historical cost convention and on accrual basis and in accordance with the provisions of the Companies Act, 1956 and accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government to the extent applicable. The accounting is on the basis of a going concern concept.

2.2 Use of Estimates

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

2.3 Fixed Assets:

Fixed assets are stated at historical cost net of Cenvat credit /Value added Tax, including appropriate direct and allocated expenses less accumulated depreciation and impairment losses, if any. Increase/Decrease in rupee liability in respect of foreign currency liability related to acquisition of fixed assets is recognized as expense or income in the Statement of Profit and Loss. Self constructed assets are capitalized at factory cost.

2.4 Investments:

Long Term Investments are carried at cost inclusive of all expenses incidental to acquisition. Provision for diminution in value of long term investments is made only if such a decline is other than temporary in nature in the opinion of the management. Adjustment for diminution in value of long term investments, considered temporary in the opinion of the management, are determined for each investment individually and credited to Investment Fluctuation Reserve by transfer from Surplus.

2.5 Valuation of Inventories

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

2.6 Translation of Foreign Currency Transactions:

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

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

2.7 Depreciation

Depreciation on all fixed assets is provided on the written down value method except in the case of Wind Mills for which Straight Line Method is adopted at the rates specified in Schedule XIV of the Companies Act, 1956. For additions and deletions depreciation is provided on pro-rata basis.

2.8 Recognition of Revenue

Income and Expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from sale transaction is recognized as and when significant risks and rewards attached to ownership in the goods is transferred to the buyer. Revenue from service transactions is recognized on the completion of the contract. Dividend from Investments, Export incentives are recognized when the right to receive payment/credit is established and no significant uncertainty as to measurability or collectability exists. Revenue from

Notes forming part of Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

carbon credits are recognised on delivery thereof or sale of rights therein, as the case may be, in terms of the contract with the respective buyer.

2.9 Borrowing costs

Interest on borrowings, if any, attributable to acquisition of qualifying Assets are capitalized and included in the cost of the asset, as appropriate.

2.10 Earnings per Share:

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

2.11 Employee Benefits:

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

Defined Contribution Plans

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

Defined Benefit Plans

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

2.12 Research and Development

Revenue expenditure incurred on Research and Development activities are expensed. Fixed assets relating to Research and Development are capitalized and depreciation provided thereon.

2.13 Taxes on Income

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

Deferred Tax assets and liabilities are recognized on timing differences between accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax assets, other than those arising on account of unabsorbed depreciation or carry forward of losses under tax laws, are recognized and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.14 Provisions, contingent liabilities and contingent assets

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

2.15 Cash Flow Statements

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

2.16 Segment Reporting

Segment accounting policies are in line with the accounting policies of the company, except that segment revenue includes sales and other income directly identifiable or allocable to the segment including inter-segment revenue.

Notes forming part of Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

Segment revenue, segment expenses and segment assets and liabilities include those directly identifiable with the respective segments. Income, expenses, assets and liabilities which are not identifiable with or allocable to a separate segment on a reasonable basis but are related to the company as a whole are shown as unallocated items.

Inter-segment transfers are accounted for on cost plus basis.

2.17 Impairment of assets

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

2.18 Leases

Assets given on leases where substantial risks and rewards incidental to ownership of the asset are not transferred to the lessee are classified as operating leases. Lease income from such operating leases is recognized on straight line basis over the lease term. Depreciation on such leased assets is charged as per the normal depreciation policy of the company for similar assets. Initial direct costs incurred specifically in relation to such operating leases is recognized as expense in the period in which they are incurred.

3 SHARE CAPITAL

(₹ in Lakhs)

	Numbers 31.03.2014	Numbers 31.03.2013	Amount 31.03.2014	Amount 31.03.2013
Number and amount of Equity shares authorized	5,00,00,000	5,00,00,000	5,000.00	5,000.00
Number of Equity shares issued, subscribed and fully paid up	1,12,66,504	1,12,66,504	1,126.65	1,126.65
			1,126.65	1,126.65
Par value per Equity share (In ₹)			10.00	10.00
11,02,746 equity shares of ₹10 each were bought back during the financial year 2010-11				
Reconciliation of number of shares				
Number of Equity shares at the beginning	1,12,66,504	1,12,66,504		
Number of Equity shares at the end	1,12,66,504	1,12,66,504		
Shareholders holding more than 5 percent Equity shares				
Lakshmi Cargo Company Limited	10,24,218	9.09%	9,23,718	8.20%
Life Insurance Corporation of India	9,56,783	8.49%	10,93,481	9.71%
Lakshmi Technology and Engineering Industries Ltd	6,67,090	5.92%	6,67,090	5.92%
Voltas Limited	6,00,000	5.33%	6,00,000	5.33%
The Lakshmi Mills Company Limited	5,20,000	4.62%	6,20,000	5.50%

The Company has issued only one class of Equity share having a par value of ₹10 per share. 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 approval by the shareholders at the Annual General Meeting.

Notes forming part of Financial Statements

	As at 31st March, 2014	As at 31st March, 2013
4 RESERVES AND SURPLUS		
Capital Reserves		
As per last Balance Sheet	701.40	701.40
Capital Redemption Reserve		
As per last Balance Sheet	110.27	110.27
General Reserve		
As per last Balance Sheet	2,541.25	4,274.87
Less : Adjustment on account of amalgamation of LMW Machinery Limited	-	2,933.62
	2,541.25	1,341.25
Add : Transfer from Statement of Profit & Loss	1,850.00	1,200.00
Closing balance	4,391.25	2,541.25
Investment Fluctuation Reserve		
As per last Balance Sheet	3,084.13	2,939.19
(Less)/Add: Transfer (to) / from Surplus	(1,556.75)	144.94
Closing balance	1,527.38	3,084.13
Surplus		
As per last Balance Sheet	88,465.08	80,698.32
Add: Transfer from Statement of Profit & Loss	18,369.24	11,747.95
Add / (Less): Transfer from / (to) Investment Fluctuation Reserve	1,556.75	(144.94)
Less: Appropriations during the year		
Proposed Dividend	3,379.95	2,253.30
Tax on Proposed Dividend	574.42	382.95
Transfer to General Reserve	1,850.00	1,200.00
Closing balance	1,02,586.70	88,465.08
TOTAL	1,09,317.00	94,902.13

5 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Asset:		
On account of VRS	(211.82)	(30.05)
On account of Others	(0.43)	(0.57)
	(212.25)	(30.62)
Deferred Tax Liability:		
On account of Depreciation	476.68	1,320.81
Deferred Tax Liabilities (Net)	264.43	1,290.19

6 OTHER LONG TERM LIABILITIES

Security deposit received against supply of machinery	22,317.31	23,403.51
TOTAL	22,317.31	23,403.51

Notes forming part of Financial Statements

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
7 TRADE PAYABLES		
Due to Micro, Small & Medium Enterprises	89.87	111.12
Others	29,124.45	25,265.39
TOTAL	29,214.32	25,376.51
8 OTHER CURRENT LIABILITIES		
Liability for Expenses	5,616.85	3,591.83
Security deposit received against supply of machinery	14,589.68	13,940.00
Liability for other Finance	15,084.92	12,720.25
Unpaid dividends	98.26	152.30
TOTAL	35,389.71	30,404.38
9 SHORT-TERM PROVISIONS		
Provision for Employee benefits :		
Provision for Gratuity	207.09	-
Provision for Leave Encashment	39.49	29.69
Others :		
Provision for Proposed Dividend	3,379.95	2,253.30
Tax on Proposed Dividend	574.42	382.95
Provision for Warranty	432.10	311.83
TOTAL	4,633.05	2,977.77

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	Cost as at 01.04.2013	Additions	Sales/ Transfer	Cost as at 31.03.2014	Upto 31.03.2013	Withdrawn	For the year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
A. Tangible Assets										
Land	2,778.09	-	18.08	2,760.01	-	-	-	-	2,760.01	2,778.09
Buildings	14,903.58	131.50	928.32	14,106.76	9,020.26	764.23	530.46	8,786.49	5,320.27	5,883.32
Plant & Equipment	1,36,657.71	4,628.43	587.76	1,40,698.38	1,04,050.75	552.82	8,811.74	1,12,309.67	28,388.71	32,606.96
Furniture & Fixtures	2,840.71	68.94	-	2,909.65	2,565.74	-	83.48	2,649.22	260.43	274.97
Office Equipments	4,188.07	277.00	1,906.42	2,558.65	3,701.15	1,894.57	321.04	2,127.62	431.03	486.92
Vehicles	3,522.59	11.92	28.79	3,505.72	2,502.49	26.54	202.77	2,678.72	827.00	1,020.10
Total Tangible Assets	1,64,890.75	5,117.79	3,469.37	1,66,539.17	1,21,840.39	3,238.16	9,949.49	1,28,551.72	37,987.45	43,050.36
B. Intangible Assets										
Technical Knowhow	698.79	-	-	698.79	509.11	-	134.09	643.20	55.59	189.68
Software	512.52	-	-	512.52	93.51	-	167.64	261.15	251.37	419.01
Total Intangible Assets	1,211.31	-	-	1,211.31	602.62	-	301.73	904.35	306.96	608.69
Capital Work in Progress									273.18	1,320.97
Total Assets	1,66,102.06	5,117.79	3,469.37	1,67,750.48	1,22,443.01	3,238.16	10,251.22	1,29,456.07	38,567.59	44,980.02
Previous Year	1,65,075.12	4,088.68	3,061.74	1,66,102.06	1,13,571.48	2,900.53	11,772.06	1,22,443.01	44,980.02	

Notes forming part of Financial Statements

	(₹ in Lakhs)				
	Face value	31.03.2014 Nos.	31.03.2013 Nos.	31.03.2014 Amount	31.03.2013 Amount
11 NON-CURRENT INVESTMENTS					
Investments in Equity Instruments (At Cost)					
Non Trade- Quoted-Fully paid up					
Cholamandalam Investment & Finance Co. Limited	10	3,42,562	3,42,562	267.88	267.88
Lakshmi Automatic Loom Works Limited	10	4,41,110	4,41,110	88.89	88.89
Pricol Ltd	1	24,975	24,975	2.52	2.52
Rajshree Sugars & Chemicals Limited	10	1,00,000	1,00,000	10.00	10.00
The Lakshmi Mills Company Limited	100	26,916	39,297	137.91	201.34
JSW Steel Limited	10	3,89,647	3,89,647	5,314.79	5,314.79
Indian Bank	10	69,562	69,562	63.30	63.30
Non Trade- Unquoted -Fully paid up					
Pugoda Textiles Lanka Ltd, Sri Lanka (Shares vested with Govt. of Sri Lanka for compensation)	10	67,50,000	67,50,000	483.83	483.83
Sharada Chambers Premises Co-op Society Ltd	50	5	5	0.01	0.01
Lakshmi Machine Works Employees Co-op Stores Ltd	10	500	500	0.05	0.05
REPCO Bank	10	750	750	0.08	0.08
Investment in Subsidiaries -Fully paid up					
LMW Textile Machinery (Suzhou) Company Ltd		-	-	6,513.67	3,949.81
Total				12,882.93	10,382.50
Aggregate Value of quoted investments					
Cost				5,885.30	5,948.72
Market value				5,658.17	4,414.66
Aggregate amount of unquoted investments				6,997.63	4,433.78

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
12 LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital Advances	811.46	565.43
Loans and advances to related parties:		
Lakshmi Ring Travellers (CBE) Limited	250.00	450.00
Other advances & deposits	711.53	915.09
Advance taxes (Net of Provisions therefor)	464.84	564.39
TOTAL	2,237.83	2,494.91

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
13 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)		
Raw materials	16,335.60	14,298.22
Work-in-progress	8,414.92	5,497.77
Finished goods	1,888.64	2,109.99
Stores and spares	1,423.53	664.29
TOTAL	28,062.69	22,570.27

Notes forming part of Financial Statements

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
14 TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the due date	1,300.00	998.32
Others	16,978.95	11,002.49
TOTAL	18,278.95	12,000.81
15 CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks:		
In Current Account	1,264.54	878.09
Cash on hand	12.44	14.39
Other Bank Balances		
Deposits held as margin money	0.73	24.41
Bank deposits with less than 12 months maturity	86,563.27	73,900.26
Unpaid Dividend Account	98.26	152.30
TOTAL	87,939.24	74,969.45
16 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Loans and advances to related parties:		
Lakshmi Ring Travellers (CBE) Limited	200.00	200.00
Others :		
Unsecured recoverable in cash or in kind, or for value to be received	4,405.18	5,083.16
Balance with Central Excise, Sales Tax, Customs etc	4,611.52	3,269.65
Prepaid expenses	59.69	88.49
TOTAL	9,276.39	8,641.30
17 OTHER CURRENT ASSETS		
Interest accrued on Bank Deposits	3,182.40	2,505.17
Income Receivable	1,834.45	936.71
TOTAL	5,016.85	3,441.88

Notes forming part of Financial Statements

	(₹ in Lakhs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
18 REVENUE FROM OPERATIONS		
a) Gross Sale of products	2,34,933.71	2,05,865.89
Less : Excise Duty	18,415.56	19,433.14
b) Net Sale of products	2,16,518.15	1,86,432.75
c) Other operating revenues:		
Repair & Service Charges & Misc income	3,856.71	2,747.18
Sale of scrap	966.46	874.57
Export Incentives	2,820.98	1,658.51
TOTAL (a+c)	2,42,577.86	2,11,146.15
19 OTHER INCOME		
Interest Income	7,882.67	6,938.77
Dividend Income	61.06	46.63
Rental income	45.49	62.89
Foreign Exchange Gain (Net)	1,141.60	65.20
Profit on sale of assets	1,814.64	409.09
Sale of Wind Energy	120.95	118.60
Sale of Carbon Credit	24.63	41.71
Technical Know fees /Royalty income	338.35	188.67
Profit on sale of Investments	119.06	-
TOTAL	11,548.45	7,871.56
20 COST OF MATERIALS CONSUMED		
Opening Stock	14,298.22	14,940.11
Add : Purchases	1,54,444.60	1,28,626.47
Less : Sales	10,244.24	9,118.63
Closing Stock	16,335.60	14,298.22
Cost of materials consumed	1,42,162.98	1,20,149.73
21 CHANGES IN INVENTORY OF FINISHED GOODS AND WIP		
Opening Stock		
Finished Goods	2,109.99	1,613.54
Work in Progress	5,497.77	3,732.41
TOTAL	7,607.76	5,345.95
Closing Stock		
Finished Goods	1,888.64	2,109.99
Work in Progress	8,414.92	5,497.77
TOTAL	10,303.56	7,607.76
Stock (Increase) / Decrease	(2,695.80)	(2,261.81)
22 EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	18,389.31	15,131.73
Contribution to provident and other funds	2,167.25	1,036.11
Welfare expenses	2,134.99	1,789.20
TOTAL	22,691.55	17,957.04

Notes forming part of Financial Statements

	(₹ in Lakhs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
23 OTHER EXPENSES		
Sales Commission to Agents	5,140.88	5,027.51
Consumption of stores and spare parts	7,247.35	7,183.98
Consumption of Packing Material	4,685.42	4,125.17
Power and fuel (Net of wind energy ₹4,425.05 Lakhs; Previous period ₹3,569.62 Lakhs)	4,145.43	4,547.08
Rent	75.58	77.17
Repairs to buildings	867.74	1,153.48
Repairs to machinery and others	3,437.25	3,982.59
Insurance	120.47	131.16
Rates and taxes, excluding taxes on income	184.39	390.72
Auditors' remuneration	26.17	23.29
Loss on sale of assets	12.19	11.53
Donations	225.87	180.12
Directors Sitting fees	8.80	10.50
Non executive Directors' Commission	30.00	124.98
Miscellaneous expenses (Refer Note 24.12)	10,159.29	7,892.70
TOTAL	36,366.83	34,861.98
24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS		
24.1 Contingent Liabilities and Commitments, to the extent not provided for		
Letters of Credit	2,722.62	3,147.41
Bank Guarantee	1,687.05	1,471.69
Central Excise Demand	472.63	443.99
Income Tax Demand	653.26	513.05
Disputed tax dues are appealed before concerned appellate 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.		
Estimated balance of committed share subscription to wholly owned subsidiary company, LMW Textile Machinery (Suzhou) Limited [USD Nil million]; (previous year USD 4.50 million)]	-	2,343.61
Estimated amount of contracts remaining to be executed on capital account not provided for	436.60	529.80
	Year ended 31st March, 2014	Year ended 31st March, 2013
24.2 Details of Gross & Net Sale of Products		
Textile Machinery	1,86,357.94	1,60,153.54
Metal cutting including Grinding machines	18,131.41	15,769.67
Castings	7,056.59	9,361.11
Aerospace parts and Components	473.40	57.21
Spares & Accessories	22,914.37	20,524.36
Gross Sales	2,34,933.71	2,05,865.89
Less : Excise Duty	18,415.56	19,433.14
Net Sales	2,16,518.15	1,86,432.75

Notes forming part of Financial Statements

	(₹ in Lakhs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.)		
24.3 i) Raw Material Consumed		
MACHINE SHOP		
a) Iron and Steel	20,703.92	18,598.15
b) Aluminium, Brass & Copper	5,127.82	3,708.06
c) Non metallic items etc	1,855.44	1,683.07
FOUNDRY		
a) Pig Iron	3,881.53	4,045.31
b) Cast Iron Borings & Scrap	4,384.63	3,887.24
c) Ferro Silicon	477.10	451.22
PILOT MILL		
a) Cotton	1,444.82	852.49
ii) Components Consumed		
a) Components Indigenous	77,911.36	64,938.78
b) Components Imported	26,376.36	21,985.41
TOTAL	1,42,162.98	1,20,149.73
24.4 Stock of Finished Goods :		
Textile Machinery	1,476.89	1,155.40
Metal Cutting including Grinding Machines	396.03	932.37
Yarn	15.72	22.22
TOTAL	1,888.64	2,109.99
24.5 Stock of Work in Progress :		
Textile Machinery	4,046.95	3,575.55
Metal Cutting including Grinding Machines	3,668.28	1,714.67
Yarn	24.28	39.48
Castings	407.93	59.21
Aero Space-parts & components	267.48	108.86
TOTAL	8,414.92	5,497.77
24.6 Value of Imports (CIF)		
i) Raw Materials	4,863.14	4,828.14
ii) Components & Spare-parts	22,264.62	16,196.91
iii) Capital goods	644.97	1,343.54
24.7 Expenditure in Foreign Currency on account of:		
i) Royalty	108.83	73.37
ii) Sales Commission	1,044.81	382.02
iii) Professional & Consultancy Fees	106.01	44.10
iv) Others	505.33	221.06

Notes forming part of Financial Statements

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.) (₹ in Lakhs)				
	31st March, 2014		31st March, 2013	
	Amount	% to Total Consumption	Amount	% to Total Consumption
24.8 Material Consumption				
i) Raw materials Imported	5,096.89	3.58	6,457.17	5.37
ii) Spare Parts & Components Imported	26,383.07	18.56	21,985.41	18.30
iii) Raw materials Indigenous	31,333.55	22.04	25,915.89	21.57
iv) Raw material consumption - Pilot Mill	1,444.82	1.02	852.49	0.71
v) Spare Parts & Components Indigenous	77,904.65	54.80	64,938.77	54.05
TOTAL	1,42,162.98	100.00	1,20,149.73	100.00

	Year ended	
	31st March, 2014	31st March, 2013

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.)		
24.9 Amount remitted during the year in foreign currencies:		
i) On account of dividends	-	195.76
ii) Number of Non-resident shareholders	-	1
iii) Number of shares held by Non-resident shareholders on which dividends paid	-	3,91,520
iv) The year to which dividends relate	2012-13	2011-12
24.10 Earnings in Foreign Exchange:		
Export of goods on FOB basis	47,559.06	23,111.33
Technical Know how / Royalty income	338.35	188.67
24.11 Auditors' Remuneration :		
Audit Fees	20.00	18.00
Taxation Matters	1.60	1.25
Certification	3.99	3.54
Reimbursement of expenses	0.58	0.50
TOTAL	26.17	23.29
24.12 Details of Miscellaneous expenses :		
Printing & Stationery	173.15	159.60
Postage, Telegrams & Telephones	165.62	136.16
Travelling Exps & Maint. of Vehicles	1,494.31	1,577.47
Bank Charges, LC Commission etc.,	125.67	81.72
Legal & Professional Charges	614.07	396.26
Subscription to Associations & Periodicals	20.91	32.13
Research & Development	1,298.32	1,032.73
Miscellaneous Expenses	662.62	492.88
Sales Expenses	932.42	981.38
Security and Other Service expenses	1,341.67	1,027.01
Advertisement & Publicity	447.26	761.83

Notes forming part of Financial Statements

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.) (₹ in Lakhs)		
	Year ended	Year ended
	31st March, 2014	31st March, 2013
24.12 Details of Miscellaneous expenses :		
Export Expenses	2,774.44	1,140.16
Royalty	108.83	73.37
TOTAL	10,159.29	7,892.70
24.13 As defined under Micro, Small and Medium Enterprises Development Act, 2006, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2014 has been made in the financial statements based on information received and available with the Company.		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	89.87	111.12
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil
24.14 Provision for Excise duty amounting ₹206.03 Lakhs (Previous year ₹229.66 Lakhs) for the uncleared stock of finished goods has been reckoned in the value of Finished Goods.		
24.15 In the opinion of the Board of Directors, assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.		
24.16 Details of dividend proposed:		
Amount of dividend proposed to be distributed to equity share holders	3,379.95	2,253.30
Amount of dividend per equity share (In ₹)	30.00	20.00
24.17 Amounts set aside to Reserves :		
To General Reserve	1,850.00	1,200.00
(From) / To Investment fluctuation Reserve	(1,556.75)	144.94
24.18 Finance Costs		
Interest under Income Tax Act	12.00	9.22
Bill discounting charges	43.98	27.38
TOTAL	55.98	36.60

Notes forming part of Financial Statements

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.)

24.19 EMPLOYEE BENEFITS

(₹ in Lakhs)

	Gratuity (Funded)			Leave Encashment (Funded)		
	31.03.2014	31.03.2013	31.03.2012	31.03.2014	31.03.2013	31.03.2012
I. Defined Benefit Plans						
A. Expense recognised during the year						
1. Current Service cost	375.33	291.72	283.43	116.16	246.58	42.64
2. Interest cost	465.72	390.22	351.97	49.91	24.41	22.90
3. Expected return on plan assets	(452.37)	(403.05)	(380.00)	(47.13)	(76.29)	(28.07)
4. Actuarial Losses / (Gains) during the year	710.89	(225.80)	9.14	(3.38)	(19.10)	(120.65)
5. Total Expense	1,099.56	53.09	264.54	115.56	176.60	(82.18)
B. Actual return on Plan assets						
1. Expected return on plan assets	452.37	403.05	380.00	47.13	76.29	28.07
2. Actuarial (Loss) / Gain on Plan assets	236.46	65.04	40.59	(228.49)	(5.67)	86.73
3. Actual return on plan assets	688.83	468.09	420.59	(181.37)	70.62	114.80
C. Net Asset/(Liability) recognised in the Balance Sheet						
1. Present value of the obligation at the end of the year	6,416.01	5,437.81	4,989.97	582.47	542.51	314.03
2. Fair value of plan assets as at the end of the year	6,208.93	5,729.09	4,983.03	542.97	512.82	459.94
3. Funded status surplus/(deficit)	(207.09)	291.28	(6.94)	(39.49)	(29.69)	145.91
4. Unrecognised past service cost	-	-	-	-	-	-
5. Net Asset/(Liability) recognised in the Balance Sheet	(207.09)	291.28	(6.94)	(39.49)	(29.69)	-
D. Change in Present value of the Obligation during the year						
1. Present value of the obligation at beginning of year *	5,437.81	5,192.18	4,494.51	542.51	314.03	291.01
2. Current service cost	375.33	291.72	283.43	116.16	246.58	42.64
3. Interest cost	465.72	390.22	351.97	49.91	24.41	22.90
4. Benefits paid	(810.19)	(275.55)	(189.67)	105.76	(17.74)	(9.60)
5. Actuarial (gain)/loss on obligation	947.35	(160.76)	49.73	(231.88)	(24.77)	(32.92)
6. Present value of obligation at end of the year	6,416.01	5,437.81	4,989.97	582.47	542.51	314.03
E. Change in Plan Assets during the year						
1. Fair value of plan assets at the beginning of the year *	5,729.09	5,188.61	4,752.11	512.82	459.94	354.74
2. Expected return on plan assets	452.37	403.05	380.00	47.13	76.29	28.07
3. Contributions made	601.19	347.94	-	105.76	-	-
4. Benefits paid	(810.19)	(275.55)	(189.67)	105.76	(17.74)	(9.60)
5. Actuarial gain / (loss) on plan assets	236.46	65.04	40.59	(228.49)	(5.67)	86.73
6. Fair value of plan assets at the end of the year	6,208.93	5,729.09	4,983.03	542.97	512.82	459.94

Notes forming part of Financial Statements

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.)

24.19 EMPLOYEE BENEFITS (Contd.)

(₹ in Lakhs)

	Gratuity (Funded)			Leave Encashment (Funded)		
	31.03.2014	31.03.2013	31.03.2012	31.03.2014	31.03.2013	31.03.2012
I. Defined Benefit Plans						
F. Net actuarial Gain / Loss recognised						
1. Actuarial (Gain) / Loss on Benefit Obligation	947.35	(160.76)	49.73	(231.88)	(24.77)	(32.92)
2. Actuarial Gain / (Loss) on Plan assets	236.46	65.04	40.59	(228.49)	(5.67)	86.73
3. Net Actuarial (Gain) / Loss recognised	710.89	(225.80)	9.14	(3.38)	(19.10)	(120.65)
G Major categories of plan assets as a percentage of total plan						
1. Qualifying insurance policies	5,806.90	5,696.17	4,969.72	542.97	512.82	459.74
2. Own plan assets	402.03	32.92	13.31	-	-	-
	6,208.93	5,729.09	4,983.03	542.97	512.82	459.94
H. Actuarial Assumptions						
1. Discount rate	9.20%	8.05%	8.00%	9.20%	8.25%	8.25%
2. Salary escalation	8.50%	7.37%	7.00%	8.50%	7.37%	7.00%
3. Expected rate of return on plan assets	8.00%	8.05%	8.00%	9.20%	9.20%	13.80%
4. Attrition rate	7.00%	6.50%	2.00%	7.00%	6.50%	2.00%
5. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

* Opening balances of Gratuity as on 1.4.2012 include figures relating to LMW Machinery Limited on account of amalgamation with effect from 01.04.2012

Note:

The salary escalation considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Gratuity is applicable to all permanent and full time employees of the company.

Gratuity payment is based on last drawn basic salary and dearness allowance at the time of termination or retirement. The Scheme takes into account each completed year of service or part thereof in excess of six months. The entire contribution is borne by the company.

Leave encashment benefits are provided as per the rules of the Company. The liabilities on account of defined benefit obligations are expected to be contributed within the next financial year.

II. DEFINED CONTRIBUTION SCHEMES

	31.03.2014	31.03.2013	31.03.2012
Provident Fund Contribution	943.27	800.25	712.69

Notes forming part of Financial Statements

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.)

24.20 Segment Report for the year ended 31st March 2014

(₹ in Lakhs)

PRIMARY - BUSINESS SEGMENT	Textile Machinery Division		Machine Tool & Foundry Division		Advanced Technology Centre		Total	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Revenue								
External Sales (Net)	1,92,941.08	1,62,879.57	23,103.67	23,495.97	473.40	57.21	2,16,518.15	1,86,432.75
Inter Segment Transfers	1,093.76	1,239.65	207.16	90.74	-	-	1,300.92	1,330.39
Allocable other income	9,622.22	5,391.26	471.98	303.38	990.13	408.89	11,084.33	6,103.53
Segment Revenue	2,03,657.06	1,69,510.48	23,782.81	23,890.09	1,463.53	466.10	2,28,903.40	1,93,866.67
Less : Inter Segment Transfers							1,300.92	1,330.39
Add : Unallocable other Income							8,108.29	7,048.29
Enterprise revenue							2,35,710.77	1,99,584.57
Result								
Segment Result	19,257.53	11,663.01	1,187.91	1,383.26	(1,314.22)	(2,033.20)	19,131.22	11,013.07
Less : Unallocable Expenses							1,121.44	955.77
Operating Profit							18,009.78	10,057.30
Less : Interest Expenses							55.98	36.60
Income tax expenses (Current)							8,718.62	6,503.02
Income tax expenses (Deferred)							(1,025.76)	(1,181.98)
Add : Unallocable Other Income							8,108.29	7,048.29
Net Profit after Tax							18,369.23	11,747.95
Other Information								
Segment assets	1,62,629.89	1,49,211.50	25,838.27	18,387.15	446.53	935.61	1,88,914.69	1,68,534.26
Add : Unallocable corporate assets							13,347.77	10,946.88
Enterprise Assets							2,02,262.46	1,79,481.14
Segment Liabilities	82,530.15	75,163.40	4,936.96	4,291.36	132.90	71.16	87,600.01	79,525.92
Add : Unallocable corporate liabilities							1,14,662.45	99,955.22
Enterprise Liabilities							2,02,262.46	1,79,481.14
Capital Expenditure	3,406.59	3,500.07	488.41	432.61	175.00	446.23	4,070.00	4,378.91
Depreciation	8,728.83	9,947.61	591.03	643.19	931.36	1,181.26	10,251.22	11,772.06

Notes forming part of Financial Statements

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.)

24.20 Segment Report for the year ended 31st March 2014 (Contd.)

(₹ in Lakhs)

SECONDARY - GEOGRAPHICAL SEGMENT	Textile Machinery Division		Machine Tool & Foundry Division		Advanced Technology Centre		Total	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
(a) Revenue from external customers by location of customers								
Domestic Segment							1,68,959.09	1,63,321.42
Export Segment							47,559.06	23,111.33
Total Revenue							2,16,518.15	1,86,432.75
(b) Carrying amount of Segment Assets								
Within India	1,62,624.49	1,49,210.00	25,838.27	18,387.15	446.53	935.61	1,88,909.29	1,68,532.76
Outside India	5.40	1.50	-	-	-	-	5.40	1.50
Total	1,62,629.89	1,49,211.50	25,838.27	18,387.15	446.53	935.61	1,88,914.69	1,68,534.26
(c) Capital Expenditure								
Within India	3,406.59	3,500.07	488.41	432.61	175.00	446.23	4,070.00	4,378.91
Outside India	-	-	-	-	-	-	-	-
Total	3,406.59	3,500.07	488.41	432.61	175.00	446.23	4,070.00	4,378.91

Notes :

- 1) The Company is organised into three main Business Segments viz., (1) Textile Machinery Division (2) Machine Tool Division & Foundry Division and (3) Advanced Technology Centre for Aero Space-Parts & Components
- 2) The Secondary Geographical Segments considered for disclosure are Revenue from Customers located within India (Domestic Segment) and Revenue from customers located outside India (Export Segment).
- 3) Inter Segment transfers are accounted on cost plus basis vis-a-vis at competitive market price charged to Unaffiliated customers for similar goods.
- 4) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Notes forming part of Financial Statements

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.)

24.21 Related Party Disclosures

1) Related Party Relationships

Key Management Personnel:

Sri. Sanjay Jayavarthanelu, Chairman and Managing Director
Sri. R. Rajendran, Director Finance

Wholly Owned Subsidiary:

LMW Textile Machinery (Suzhou) Co. Ltd

Other related parties-Associates

Dhanuprabha Agro P Ltd	Mahalakshmi Engineering Holdings Limited
Eshaan Enterprises Limited	Quattro Engineering India Limited
Harshini Textiles Limited	Revantha Holdings Limited
Hermes Academy of Training Limited	Revantha Builders Ltd
Lakshmi Cargo Company Limited	Revantha Agro Farms P Ltd
LCC Cargo Holdings Limited	Sowbaraniha Resorts Private Limited
Lakshmi Caipo Industries Ltd	Sri Kamakoti Kamakshi Textiles P Ltd
Lakshmi Engg & Environment Designs Ltd	Sri Lakshmi Vishnu Plastics
Lakshmi Electrical Drives Limited	Sudhsruti Agro P Ltd
Lakshmi Technology & Engg. Industries Ltd	Super Sales India Limited
Lakshmi Ring Travellers (CBE) Limited	Supreme Dairy Products India Ltd
Lakshmi Electrical Control Systems Limited	Starline Travels Limited
Lakshmi Precision Tools Limited	Titan Paints & Chemicals Limited
Lakshmi Life Sciences Limited	Venkatavaradha Agencies Limited
Lakshmi Vignesh Corporate Services Ltd	Walzer Hotels Limited

Note : Related party relationships are as identified by the Management

2) Related Party Transactions

(₹ in Lakhs)

	Other Related Parties-Associates		Key Management Personnel		Wholly Owned Subsidiary	
	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13
Purchase of goods	26,233.65	18,258.07	-	-	-	16.64
Sale of goods	9,239.24	7,158.67	-	-	4,738.24	5,282.01
Purchase of Fixed Assets	68.95	-	-	-	-	-
Sale of Fixed Assets	1,964.31	331.66	-	-	-	-
Rendering of Services	88.55	93.86	-	-	338.35	171.41
Receiving of Services	9,400.18	7,634.56	-	-	-	-
Agency arrangements	1,262.25	1,270.09	-	-	-	-
Managerial Remuneration	-	-	830.60	616.88	-	-
Investment in Shares	-	-	-	-	2,563.86	1,625.20
Loans received back	200.00	200.00	-	-	-	-
Interest receipts	57.84	77.82	-	-	-	-
Outstanding Payables	2,447.59	1,639.76	506.13	320.61	-	-
Outstanding Receivables	2,245.89	3,027.47	-	-	2,997.75	2,200.58

Notes forming part of Financial Statements

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.)

24.21 Related Party Disclosures (Contd.)

Disclosure in respect of Material Related Party Transaction during the year :

- Purchase of Goods includes LMW Textile Machinery (Suzhou) Co. Ltd ₹Nil Lakhs (Previous Year ₹16.64 Lakhs); Lakshmi Electrical Control Systems Limited ₹14,544.07 Lakhs (Previous Year ₹12,079.66 Lakhs), Lakshmi Electrical Drives Limited ₹3,399.10 Lakhs (Previous Year ₹2,970.74 Lakhs); Super Sales India Limited ₹2,759.05 Lakhs (Previous year ₹1,046.67 Lakhs) and Other Related Parties- Associates ₹5,531.43 Lakhs (Previous Year ₹2,161 Lakhs)
- Sale of Goods includes LMW Textile Machinery (Suzhou) Co. Ltd ₹4,738.24 Lakhs (Previous Year ₹5,282.01 Lakhs), Lakshmi Electrical Control Systems Limited ₹7,831.52 Lakhs (Previous Year ₹6,656.68 Lakhs) and Other related Parties - Associates ₹1,407.72 Lakhs (Previous Year ₹501.99 Lakhs)
- Purchase of Fixed Assets includes Quattro Engineering India Limited ₹68.95 Lakhs (Previous Year ₹Nil Lakhs)
- Sale of Fixed Assets includes Super Sales India Ltd ₹23.81 Lakhs(Previous Year ₹99.44 Lakhs); Revantha Builders Ltd ₹Nil Lakhs (Previous year ₹231.00 Lakhs); Quattro Engineering P Ltd ₹1,935.00 Lakhs (Previous year Nil); and Other Related Parties-Associates ₹5.50 Lakhs (Previous Year ₹1.22 Lakhs)
- Rendering of Services includes , LMW Textile Machinery (Suzhou)Co. Ltd ₹338.35 Lakhs (Previous Year ₹171.41 Lakhs), Super Sales India Limited ₹27.50 Lakhs (Previous Year ₹23.54 Lakhs); Lakshmi Technology & Engineering Industries Ltd. ₹30.10 Lakhs (Previous year ₹32.87 Lakhs); Lakshmi Electrical Control Systems Limited ₹Nil Lakhs(Previous Year 0.61 Lakhs) and Others - Other Related Parties-Associates ₹30.95 Lakhs (Previous Year ₹36.84 Lakhs)
- Receiving of Services include Lakshmi Ring Travellers (CBE) Limited ₹624.38 Lakhs (Previous Year ₹573.51 Lakhs); Lakshmi Cargo Company Limited ₹5,568.08 Lakhs (Previous Year ₹4,180.71 Lakhs); Revantha Builders Ltd ₹635.51 Lakhs (Previous year ₹898.20 Lakhs) and Other Related Parties - Associates ₹2,572.21 Lakhs (Previous Year ₹1,982.14 Lakhs)
- Agency arrangement includes Super Sales India Limited ₹1,262.25 Lakhs (Previous Year ₹1,270.09 Lakhs)
- Managerial Remuneration includes amount paid to Sri. Sanjay Jayavarthanelu ₹731.15 Lakhs (Previous Year ₹521.22 Lakhs) Sri.R.Rajendran ₹99.45 Lakhs (Previous year ₹95.66 Lakhs)
- Investment in Shares includes LMW Textile Machinery (Suzhou) Co. Limited ₹2,563.86 Lakhs (Previous Year ₹1,625.20 Lakhs)
- Loan received back includes Lakshmi Ring Travellers (CBE) Ltd - ₹200.00 Lakhs (Previous Year ₹200.00 Lakhs)
- Interest receipts include Lakshmi Ring Travellers (CBE) Limited ₹57.84 Lakhs (Previous year ₹77.82 Lakhs)
- Outstanding Payables include Lakshmi Cargo Company Limited ₹428.44 Lakhs (Previous Year ₹234.43 Lakhs); Lakshmi Precision Tools Limited ₹125.75 Lakhs (Previous Year ₹85.76 Lakhs); Lakshmi Electrical Drives Ltd ₹400.75 Lakhs (Previous year ₹253.35 Lakhs) Super Sales India Limited ₹1,333.47 Lakhs (Previous Year ₹918.05 Lakhs) Sri. Sanjay Jayavarthanelu ₹506.13 Lakhs (Previous year ₹320.61 Lakhs) and Other Related Parties -Associates ₹159.18 Lakhs (Previous Year ₹148.17 Lakhs)
- Outstanding Receivables include LMW Textile Machinery (Suzhou) Co. Ltd ₹2,997.75 Lakhs (Previous Year ₹2,200.58 Lakhs), Lakshmi Electrical Control Systems Limited ₹1,125.30 Lakhs (Previous Year ₹1,021.15 Lakhs, Lakshmi Technology and Engineering Industries Limited ₹167.30 Lakhs (Previous Year ₹556.36 Lakhs); Lakshmi Ring Travellers (CBE) Ltd. ₹546.34 Lakhs (Previous year ₹1,276.64 Lakhs) and Others - Other Related Parties - Associates ₹406.95 Lakhs (Previous Year ₹173.32 Lakhs)

Notes forming part of Financial Statements

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.) (₹ in Lakhs)

24.22 Fixed Assets include:

	Gross Block	Depreciation for the year	Accumulated Depreciation	Net Block
Assets leased out as on 31.03.2014				
Buildings	358.42	8.57	195.62	162.80
Assets leased out as on 31.03.2013				
Buildings	358.42	9.02	187.05	171.37

Income from leased Buildings of ₹45.49 Lakhs- is grouped in Rent receipts (Previous Year ₹62.89 Lakhs)

24.23 Earnings Per Share

	Year ended 31st March, 2014	Year ended 31st March, 2013
Net Profit after Tax [₹ in Lakhs]	18,369.24	11,747.95
Weighted Average Number of Equity Shares	1,12,66,504	1,12,66,504
Nominal Value per Equity Share	10.00	10.00
Basic & Diluted Earnings Per Share [in ₹]	163.04	104.27

24.24 Deferred tax liabilities (Net)

	Year ended 31st March, 2013	For the year	Year ended 31st March, 2014
Deferred Tax Asset:			
On account of VRS	30.05	181.77	211.82
On account of Others	0.57	(0.14)	0.43
	30.62	181.63	212.25
Deferred Tax Liability:			
On account of Depreciation	1,320.81	(844.13)	476.68
Deferred Tax Liabilities (Net)	1,290.19	(1,025.76)	264.43

24.25 (a) The Company gives warranties for its products undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made at the end represents the amount of expected cost of meeting such obligations of rectification/ replacements. The timing of the outflows is expected to be within a period of one year.

(b) Disclosures in terms of Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets"

	Provision for Warranty 31.03.2014	31.03.2013
Carrying amount at the beginning of the year	311.83	414.00
Additional provision made during the year	432.10	311.83
Amount used during the year	311.83	145.82
Unused amount reversed	-	268.18
Carrying amount at the end of the year	432.10	311.83

24.26 Revenue Expenditure on Research & Development amounting to ₹1,298.32 Lakhs (Previous Year ₹1,032.73 Lakhs) has been charged to Statement of Profit and Loss (included in Miscellaneous expenses) and Capital expenditure relating to Research and Development amounting to ₹350.38 Lakhs (Previous Year ₹Nil Lakhs) has been included in Fixed Assets

Notes forming part of Financial Statements

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (Contd.)

24.27 (a) There are no derivative financial instruments either for hedging or for speculation outstanding as at the Balance Sheet date.
(b) Foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

Particulars	Currency	Amount in foreign currency		Equivalent INR	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
Sundry creditors	CHF	10,846	3,991	7.37	2.17
	EUR	8,87,032	8,76,520	733.83	615.87
	GBP	1,115	1,185	1.12	0.87
	JPY	2,15,21,630	5,02,16,539	125.45	303.37
	SGD	-	30,412	0.00	13.40
	USD	1,57,454	5,65,967	94.57	316.24
Sundry Debtors	USD	1,14,12,637	96,53,659	6,988.19	5,213.36
	EUR	3,57,177	7,25,316	299.14	514.74
Bank Balances	KES	49,568	47,318	0.34	0.30
	BDT	15,852	1,42,135	0.12	0.96
	IDR	2,93,141	28,000	0.02	0.05
	USD	8,192	341	4.92	0.19

24.28 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our Report of even date
For M.S.Jagannathan & Visvanathan
Firm Registration No: 0012095
Chartered Accountants

Sanjay Jayavarthanelu
Chairman and Managing Director

per M.J.Vijayaraghavan
Partner
M.No.7534

R. Rajendran
Director Finance

K.Duraisami
Company Secretary

For Subbchar & Srinivasan
Firm Registration No: 0040835
Chartered Accountants

Place : Coimbatore
Dated : 23rd May, 2014

per T.S.V.Rajagopal
Partner
Membership No: 200380

CORPORATE INFORMATION

(₹ in Lakhs)

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Profit and Loss Account										
Sales	99,077	1,30,207	1,85,358	2,20,516	1,33,801	1,13,690	1,77,331	2,07,249	1,86,433	2,16,518
Other Income	3,293	4,253	8,814	8,755	9,062	8,214	11,009	12,547	13,152	19,193
Profit before tax	11,088	18,792	30,860	37,116	15,417	15,056	23,916	22,339	17,069	26,878
Profit after tax	7,334	14,807	20,620	24,230	10,693	10,468	16,598	13,702	11,748	18,369
Balance Sheet										
Fixed Assets	16,055	24,632	38,643	55,790	52,737	44,658	43,641	50,787	44,980	38,568
Investments	6,622	10,153	10,216	10,319	11,272	12,144	10,007	15,407	10,382	12,883
Net Current Assets	10,945	9,089	12,225	14,389	24,976	39,085	31,808	25,944	41,956	59,257
	33,622	43,874	61,084	80,498	88,985	95,887	85,456	92,138	97,318	1,10,708
Share Capital	1,237	1,237	1,237	1,237	1,237	1,237	1,127	1,127	1,127	1,127
Reserves and Surplus	32,385	42,637	56,795	74,513	83,036	91,341	81,569	88,724	94,901	1,09,317
Deferred Tax Liability	-	-	3,052	4,748	4,712	3,309	2,760	2,287	1,290	264
	33,622	43,874	61,084	80,498	88,985	95,887	85,456	92,138	97,318	1,10,708

RATIO

		2012-13	2013-14
Measures of Investment			
Dividend per share (₹)		20	30
EPS (₹)	Net Profit after tax / No. of Shares	104.27	163.04
Return on Equity (%)	Net Profit after tax / Shareholders' funds	12.23	16.63
Dividend Cover (Times)	Earnings per Share / Dividend per Share	5.21	5.43
Measures of Performance			
Net Profit Margin (%)	Profit before taxes / Sales	9.16	12.41
Assets Turnover (Times)	Sales / Net Fixed Assets	4.14	5.61
Measures of Financial status			
Current Ratio (Times)	Current Assets / Current Liabilities	2.07	2.15
Tax Ratio (%)	Tax Provision / Profit before taxes	31.17	29.52

Disclosure of information relating to the subsidiary companies as required by Ministry of Corporate Affairs, Government of India vide their general circular no.2/ 2011 Dated 08.02.2011

(₹ in Lakhs)

Sl No.	Particulars	LMW Textile Machinery (Suzhou) Company Limited	
		31.03.2014	31.03.2013
a	Share Capital	6,513.67	3,949.81
b	Reserves & Surplus	838.31	(367.99)
c	Total Assets	14,381.82	10,791.19
d	Total Liabilities	14,381.82	10,791.19
e	Details of Investments	-	-
f	Net Sales and Services including Other Income	14,487.36	15,369.09
g	Profit Before tax	998.80	1,315.06
h	Provision for Taxation	244.75	93.42
i	Profit after tax	754.05	1,221.64
j	Proposed dividend	-	-
k	Reporting Currency *	INR	INR

* The Exchange Rate as at 31st March 2014 : 1 CNY = 9.6615 INR(Previous Year 8.7449 INR)

Average exchange rate : 2013-14 1 CNY = 9.9254 INR (Previous Year 8.6689 INR)

Note : The annual accounts and related details of LMW Textile Machinery (Suzhou) Company Limited are available for inspection at the Registered Office of the Company at Perianaickenpalayam, Coimbatore 641 020 during working hours on all working days

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1	Name of the Subsidiary	LMW Textile Machinery (Suzhou) Company Limited
2	Financial year of the Subsidiary	1st January 2013 to 31st December 2013 (1st April 2013 to 31st March 2014-For consolidation purpose)
3	Shares of the subsidiary held by Lakshmi Machine Works Limited on the above date	
	(a) Number and face value	Registered capital : USD 12,500,000 Paid in capital : USD 12,500,000
	(b) Extent of holding	100 %
4	Net aggregate amount of Profit/(Losses) of the subsidiary of the above financial year of the subsidiary so far as they concerned members of Lakshmi Machine Works Limited	
	(a) dealt with in the accounts of Lakshmi Machine Works Limited for the year ended 31st March, 2014	NIL
	(b) not dealt with in the accounts of Lakshmi Machine Works Limited for the year ended 31st March, 2014	₹998.80 Lakhs
5	Net aggregate amount of Profits/(losses) for the previous financial years of the subsidiary since it became subsidiary so far as they concern members of Lakshmi Machine Works Limited.	
	(a) dealt with in the accounts of Lakshmi Machine Works Limited for the year ended 31st March, 2014	NIL
	(b) not dealt with in the accounts of Lakshmi Machine Works Limited for the year ended 31st March, 2014	₹332.09 Lakhs
6	Change of interest of Lakshmi Machine Works Limited in the subsidiary between the end of financial year of subsidiary and that of Lakshmi Machine Works Limited	NOT APPLICABLE
7	Material changes between the end of the financial year of the subsidiary of Lakshmi Machine Works Limited in respect of subsidiary's fixed assets, investments, lending and borrowing for the purposes other than meeting their current liabilities	NOT APPLICABLE

Sanjay Jayavarthanavelu
Chairman and Managing Director

R. Rajendran
Director Finance

K.Duraisami
Company Secretary

Place : Coimbatore
Dated : 23rd May, 2014

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of M/s LAKSHMI MACHINE WORKS LIMITED on the Consolidated financial statements of M/s LAKSHMI MACHINE WORKS LIMITED and its wholly owned subsidiary

We have audited the accompanying consolidated financial statements of M/s Lakshmi Machine Works Limited ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and

presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of one wholly owned subsidiary, whose financial statements reflect total assets (net) of ₹14,381.82 Lakhs as at March 31, 2014, total revenues of ₹14,487.36 Lakhs and net cash inflows of ₹1264.21 Lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For M.S.JAGANNATHAN & VISVANATHAN
Firm Regn.No: 0012095
CHARTERED ACCOUNTANTS

For SUBBACHAR & SRINIVASAN
Firm Regn. No: 004083S
CHARTERED ACCOUNTANTS

[M.J.VIJAYARAGHAVAN]
Partner
Membership No: 7534

[T.S.V.RAJAGOPAL]
Partner
Membership No:200380

Place: Coimbatore
Date: 23rd May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014		(₹ in Lakhs)	
PARTICULARS	Note No	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,126.65	1,126.65
Reserves and surplus	4	1,09,687.61	94,523.06
Non-current liabilities			
Deferred tax liabilities (Net)	5	264.43	1,290.19
Other Long term liabilities	6	22,317.31	23,403.51
Current liabilities			
Trade payables	7	31,504.45	27,254.87
Other current liabilities	8	37,292.87	33,357.24
Short-term provisions	9	4,633.05	2,977.77
TOTAL		2,06,826.37	1,83,933.29
ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible assets	10	38,961.15	43,617.34
(ii) Intangible assets		306.96	608.69
(iii) Capital work-in-progress		3,552.04	1,429.96
SUB TOTAL		42,820.15	45,655.99
Non-current investments	11	6,369.26	6,432.69
Long-term loans and advances	12	2,277.27	3,213.06
Current assets			
Inventories	13	33,480.10	27,067.08
Trade receivables	14	15,316.64	12,089.67
Cash and cash equivalents	15	91,347.99	76,940.97
Short-term loans and advances	16	10,198.11	9,091.95
Other current assets	17	5,016.85	3,441.88
TOTAL		2,06,826.37	1,83,933.29
Significant Accounting Policies	2		
Additional information to Consolidated financial statements	24		

Accompanying notes form part of the Consolidated financial statements

Sanjay Jayavarthanavelu
Chairman and Managing Director

R. Rajendran
Director Finance

K.Duraisami
Company Secretary

Place : Coimbatore
Dated : 23rd May, 2014

In terms of our Report of even date
For M.S.Jagannathan & Visvanathan
Firm Registration No: 001209S
Chartered Accountants

per M.J.Vijayaraghavan
Partner
M.No.7534

For Subbachar & Srinivasan
Firm Registration No: 004083S
Chartered Accountants

per T.S.V.Rajagopal
Partner
Membership No: 200380

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014		(₹ in Lakhs)	
PARTICULARS	Note No	Year ended 31st March, 2014	Year ended 31st March, 2013
REVENUE			
Revenue from operations	18	2,52,200.36	2,21,148.97
Less: Excise Duty		18,415.56	19,433.14
		2,33,784.80	2,01,715.83
Other income	19	11,055.93	7,632.10
Total Revenue		2,44,840.73	2,09,347.93
EXPENSES			
Cost of materials consumed	20	1,47,658.69	1,27,531.93
Changes in inventories of finished goods and work-in-progress and Stock-in-Trade	21	(3,138.33)	(3,854.90)
Employee benefits expense	22	23,930.49	18,972.09
Finance costs	24.7	55.98	36.60
Depreciation		10,448.61	11,920.23
Other expenses	23	38,225.46	36,369.03
Total Expenses		2,17,180.90	1,90,974.98
Profit before exceptional items and tax		27,659.83	18,372.95
Exceptional item- Voluntary retirement scheme payments		815.91	-
Profit after exceptional items before tax		26,843.92	18,372.95
Tax expense:			
Current tax		9,039.45	6,093.42
Deferred tax (Net)		(1,025.76)	(1,181.98)
Prior year taxes		(76.10)	503.00
Profit after tax		18,906.33	12,958.51
Earnings per equity share:			
Basic and Diluted Earnings per share (in ₹) (Face value ₹ 10/- per share)		167.81	115.02
Significant Accounting Policies	2		
Additional information to Consolidated financial statements	24		

Accompanying notes form part of the Consolidated financial statements

Sanjay Jayavarthanavelu
Chairman and Managing Director

R. Rajendran
Director Finance

K.Duraisami
Company Secretary

Place : Coimbatore
Dated : 23rd May, 2014

In terms of our Report of even date
For M.S.Jagannathan & Visvanathan
Firm Registration No: 001209S
Chartered Accountants

per M.J.Vijayaraghavan
Partner
M.No.7534

For Subbachar & Srinivasan
Firm Registration No: 004083S
Chartered Accountants

per T.S.V.Rajagopal
Partner
Membership No: 200380

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014		(₹ in Lakhs)	
PARTICULARS	Year ended 31st March, 2014	Year ended 31st March, 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit after exceptional items (VRS Expenses of ₹815.91 Lakhs; P.Y.: ₹Nil Lakhs) before tax	26,843.92	18,372.95	
Adjustments for :			
Depreciation	10,448.61	11,920.23	
Finance cost	55.98	36.60	
Profit on sale of assets	(1,816.63)	(410.79)	
Loss on sale of assets	12.19	11.53	
Interest income	(7,947.60)	(7,002.44)	
Dividend income	(61.06)	(46.63)	
Profit on sale of investments	(119.06)	-	
Unrealised Loss / (Gain) on Foreign Currency Cash and cash equivalents	(0.01)	(0.42)	
	572.42	4,508.08	
Operating Profit before Working Capital Changes	27,416.34	22,881.03	
(Increase)/Decrease in trade and other receivables	(4,444.39)	6,308.35	
(Increase)/Decrease in inventories	(6,413.02)	(843.64)	
Increase/(Decrease) in trade and other payables	7,515.53	(13,663.39)	(8,198.68)
Cash generated from operations	24,074.46	14,682.35	
Direct taxes paid	8,982.69	6,548.12	
Net Cash from Operating activities [A]	15,091.77	8,134.23	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed assets/Capital Work In Progress	(7,846.56)	(4,560.54)	
Proceeds from sale of fixed assets	2,038.23	564.27	
Capital Reserve on Investment in wholly owned subsidiary	(0.08)	-	
Interest received	7,270.37	7,683.39	
Dividend received	61.06	46.63	
Loans received back	344.00	296.00	
Sale of Investments	182.49	-	
(Increase)/Decrease in Bank balances not considered as cash and cash equivalent	(13,424.23)	(6,942.80)	
Net cash used in investing activities [B]	(11,374.72)	(2,913.05)	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014		(₹ in Lakhs)	
PARTICULARS	Year ended 31st March, 2014	Year ended 31st March, 2013	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	(2,289.94)	(5,589.45)	
Corporate dividend taxes paid	(382.95)	(913.85)	
Transfer of Unpaid Dividends/Debentures to IEPF	(17.40)	(6.18)	
Finance cost	(43.98)	(27.38)	
Net cash used in financing activities [C]	(2,734.27)	(6,536.86)	
Net increase in cash and cash equivalents (A+B+C)	982.78	(1,315.68)	
Cash and cash equivalents at beginning of the period - D	1,868.46	3,183.72	
Cash and cash equivalents at end of the period - E	2,851.24	1,868.04	
Net increase in cash and cash equivalents (E-D)	982.78	(1,315.68)	
Cash & Cash equivalents as per Balance Sheet	2,851.25	1,868.46	
Unrealised Loss / (Gain) on Foreign Currency Cash and cash equivalents	(0.01)	(0.42)	
Cash and Cash equivalents as per Cash flow Statement	2,851.24	1,868.04	
Note : Cash and cash equivalents include the following balances not available for use :			
Unpaid dividend warrant account	98.26	152.30	

In terms of our Report of even date
For M.S.Jagannathan & Visvanathan
Firm Registration No: 001209S
Chartered Accountants

Sanjay Jayavarthanelu
Chairman and Managing Director

per M.J.Vijayaraghavan
Partner
M.No.7534

R. Rajendran
Director Finance

K.Duraisami
Company Secretary

For Subbachar & Srinivasan
Firm Registration No: 004083S
Chartered Accountants

Place : Coimbatore
Dated : 23rd May, 2014

per T.S.V.Rajagopal
Partner
Membership No: 200380

Notes forming part of Consolidated Financial Statements

1 CORPORATE INFORMATION

Lakshmi Machine Works Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on three stock exchanges in India. The company is engaged in the manufacturing and selling of textile spinning machinery, CNC Machine Tools, Heavy castings and parts and components for Aero space industry. The company caters to both domestic and international markets.

LMW Textile Machinery (Suzhou) Company Limited, the Wholly owned subsidiary company manufactures Textile Spinning Machinery, Spares and Components.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements relate to Lakshmi Machine Works Limited and its wholly owned subsidiary. The financial statements are prepared under historical cost convention using uniform accounting policies and in accordance with the generally accepted accounting principles and Accounting Standard 21 on "Consolidated Financial Statements" and are presented to the extent possible in the same manner as the company's separate financial statements except as otherwise disclosed in the notes to accounts.

2.2 Principles of consolidation

- The financial statements of the company and its subsidiary company have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions.
- The translation of foreign currencies into Indian Rupees [Reporting currency] is performed for assets and liabilities at the closing exchange rate at the Balance Sheet date and for revenues, cost and expenses using the average rate prevailing during the reporting period. Exchange differences arising from such translation of non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until disposal of net investment.

2.3 Method of accounting

The financial statements are prepared under historical cost convention and on accrual basis and in accordance with the provisions of the Companies Act, 1956 and accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government to the extent applicable. The accounting is on the basis of a going concern concept.

2.4 Use of Estimates

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

2.5 Fixed Assets:

Fixed assets are stated at historical cost net of Cenvat credit /Value added Tax, including appropriate direct and allocated expenses less accumulated depreciation and impairment losses, if any. Increase/Decrease in rupee liability in respect of foreign currency liability related to acquisition of fixed assets is recognized as expense or income in the Statement of Profit and Loss. Self constructed assets are capitalized at factory cost.

2.6 Investments:

Long Term Investments are carried at cost inclusive of all expenses incidental to acquisition. Provision for diminution in value of long term investments is made only if such a decline is other than temporary in nature in the opinion of the management. Adjustment for diminution in value of long term investments, considered temporary in the opinion of the management, are determined for each investment individually and credited to Investment Fluctuation Reserve by transfer from Surplus.

2.7 Valuation of Inventories

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

2.8 Translation of Foreign Currency Transactions:

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

Notes forming part of Consolidated Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

2.9 Depreciation

Depreciation on all fixed assets is provided on the written down value method except in the case of Wind Mills for which Straight Line Method is adopted at the rates specified in Schedule XIV of the Companies Act, 1956. Fixed assets of the wholly owned subsidiary are depreciated by using the straight line method over estimated useful lives. For additions and deletions depreciation is provided on pro-rata basis.

2.10 Recognition of Revenue

Income and Expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from sale transaction is recognized as and when significant risks and rewards attached to ownership in the goods is transferred to the buyer. Revenue from service transactions is recognized on the completion of the contract. Dividend from Investments, Export incentives are recognized when the right to receive payment/credit is established and no significant uncertainty as to measurability or collectability exists. Revenue from carbon credits are recognised on delivery thereof or sale of rights therein, as the case may be, in terms of the contract with the respective buyer.

2.11 Borrowing costs

Interest on borrowings, if any, attributable to acquisition of qualifying assets are capitalized and included in the cost of the asset, as appropriate.

2.12 Earnings per Share

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

2.13 Employee Benefits:

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

Defined Contribution Plans

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

Defined Benefit Plans

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

2.14 Research and Development

Revenue expenditure incurred on Research and Development activities are expensed. Fixed assets relating to Research and Development are capitalized and depreciation provided thereon.

2.15 Taxes on Income

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

Deferred Tax assets and liabilities are recognized on timing differences between accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax assets, other than those arising on account of unabsorbed depreciation or carry forward of losses under tax laws, are recognized and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.16 Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to

Notes forming part of Consolidated Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

2.17 Cash Flow Statements

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

2.18 Segment Reporting

Segment accounting policies are in line with the accounting policies of the company, except that segment revenue includes sales and other income directly identifiable or allocable to the segment including inter-segment revenue.

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

Segment revenue, segment expenses and segment assets and liabilities include those directly identifiable with the respective segments. Income, expenses, assets and liabilities which are not identifiable with or allocable to a separate segment on a reasonable basis but are related to the company as a whole are shown as unallocated items.

Inter-segment transfers are accounted for on cost plus basis.

2.19 Impairment of assets

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

2.20 Leases

Assets given on leases where substantial risks and rewards incidental to ownership of the asset are not transferred to the lessee are classified as operating leases. Lease income from such operating leases is recognized on straight line basis over the lease term. Depreciation on such leased assets is charged as per the normal depreciation policy of the company for similar assets. Initial direct costs incurred specifically in relation to such operating leases is recognized as expense in the period in which they are incurred.

3 SHARE CAPITAL

(₹ in Lakhs)

	Numbers 31.03.2014	Numbers 31.03.2013	Amount 31.03.2014	Amount 31.03.2013
Number and amount of Equity shares authorized	5,00,00,000	5,00,00,000	5,000.00	5,000.00
Number of Equity shares issued, subscribed and fully paid up	1,12,66,504	1,12,66,504	1,126.65	1,126.65
			1,126.65	1,126.65
Par value per Equity share (In ₹)			10.00	10.00
11,02,746 equity shares of ₹10 each were bought back during the financial year 2010-11				
Reconciliation of number of shares				
Number of Equity shares at the beginning	1,12,66,504	1,12,66,504		
Number of Equity shares at the end	1,12,66,504	1,12,66,504		
Shareholders holding more than 5 percent Equity shares				
Lakshmi Cargo Company Limited	10,24,218	9.09%	9,23,718	8.20%
Life Insurance Corporation of India	9,56,783	8.49%	10,93,481	9.71%
Lakshmi Technology and Engineering Industries Ltd	6,67,090	5.92%	6,67,090	5.92%
Voltas Limited	6,00,000	5.33%	6,00,000	5.33%
The Lakshmi Mills Company Limited	5,20,000	4.62%	6,20,000	5.50%

The Company has issued only one class of Equity share having a par value of ₹ 10 per share. 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 approval by the shareholders at the Annual General Meeting.

Notes forming part of Consolidated Financial Statements

	As at 31st March, 2014	As at 31st March, 2013
4 RESERVES AND SURPLUS		
Capital Reserves		
As per last Balance Sheet	701.40	701.40
Add : Additions during the year	0.09	-
	701.49	701.40
Capital Redemption Reserve		
As per last Balance Sheet	110.27	110.27
General Reserve		
As per last Balance Sheet	2,541.25	4,274.87
Less : Adjustment on account of amalgamation of LMW Machinery Limited	-	2,933.62
	2,541.25	1,341.25
Add : Transfer from Statement of Profit & Loss	1,850.00	1,200.00
Closing balance	4,391.25	2,541.25
Investment Fluctuation Reserve		
As per last Balance Sheet	3,084.13	2,939.19
(Less)/Add: Transfer (to) / from Surplus	(1,556.75)	144.94
Closing balance	1,527.38	3,084.13
Foreign Currency Translation Reserve	192.87	(19.63)
Surplus		
As per last Balance Sheet	88,105.64	79,128.32
Add : Transfer from Statement of Profit & Loss	18,906.33	12,958.51
Add / (Less): Transfer from / (to) Investment Fluctuation Reserve	1,556.75	(144.94)
Less: Appropriations during the year		
Proposed Dividend	3,379.95	2,253.30
Tax on Proposed Dividend	574.42	382.95
Transfer to General Reserve	1,850.00	1,200.00
Closing balance	1,02,764.35	88,105.64
TOTAL	1,09,687.61	94,523.06

5 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Asset:		
On account of VRS	(211.82)	(30.05)
On account of Others	(0.43)	(0.57)
	(212.25)	(30.62)
Deferred Tax Liability:		
On account of Depreciation	476.68	1,320.81
Deferred Tax Liabilities (Net)	264.43	1,290.19

6 OTHER LONG TERM LIABILITIES

Security deposit received against supply of machinery	22,317.31	23,403.51
TOTAL	22,317.31	23,403.51

Notes forming part of Consolidated Financial Statements

		(₹ in Lakhs)	
		As at 31st March, 2014	As at 31st March, 2013
7	TRADE PAYABLES		
	Due to Micro, Small & Medium Enterprises	89.87	111.12
	Others	31,414.58	27,143.75
	TOTAL	31,504.45	27,254.87
8	OTHER CURRENT LIABILITIES		
	Liability for Expenses	7,080.09	5,484.26
	Security deposit received against supply of machinery	14,891.57	14,967.31
	Liability for other Finance	15,222.95	12,753.37
	Unpaid dividends	98.26	152.30
	TOTAL	37,292.87	33,357.24
9	SHORT-TERM PROVISIONS		
	Provision for Employee benefits :		
	Provision for Gratuity	207.09	-
	Provision for Leave Encashment	39.49	29.69
	Others :		
	Provision for Proposed Dividend	3,379.95	2,253.30
	Tax on Proposed Dividend	574.42	382.95
	Provision for Warranty	432.10	311.83
	TOTAL	4,633.05	2,977.77

10 FIXED ASSETS (CONSOLIDATED)		(₹ in Lakhs)									
PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK		
	Cost as at 01.04.2013	Additions	Sales/ Transfer	Cost as at 31.03.2014	Upto 31.03.2013	Withdrawn	For the year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013	
A. Tangible Assets :											
Land*	2,778.09	552.77	18.08	3,312.78	-	-	13.25	13.25	3,299.53	2,778.09	
Buildings	15,207.09	131.50	928.32	14,410.27	9,217.36	764.23	604.96	9,058.09	5,352.18	5,989.73	
Plant & Equipment	1,37,151.96	4,677.74	588.04	1,41,241.66	1,04,183.54	552.82	8,888.03	1,12,518.75	28,722.91	32,968.42	
Furniture & Fixtures	2,877.94	69.44	-	2,947.38	2,584.93	-	91.71	2,676.64	270.74	293.01	
Office Equipments	4,224.25	281.11	1,906.42	2,598.94	3,718.62	1,894.57	329.35	2,153.40	445.54	505.63	
Vehicles	3,603.05	11.92	39.87	3,575.10	2,520.59	35.32	219.58	2,704.85	870.25	1,082.46	
Total Tangible Assets	1,65,842.38	5,724.48	3,480.73	1,68,086.13	1,22,225.04	3,246.94	10,146.88	1,29,124.98	38,961.15	43,617.34	
B. Intangible Assets											
Technical Knowhow	698.79	-	-	698.79	509.11	-	134.09	643.20	55.59	189.68	
Software	512.52	-	-	512.52	93.51	-	167.64	261.15	251.38	419.01	
Total Intangible Assets	1,211.31	-	-	1,211.31	602.62	-	301.73	904.35	306.96	608.69	
Capital Work in Progress	-	-	-	-	-	-	-	-	3,552.04	1,429.96	
Total Assets	1,67,053.69	5,724.48	3,480.73	1,69,297.44	1,22,827.66	3,246.94	10,448.61	1,30,029.33	42,820.15	45,655.99	
Previous Year	1,65,964.76	4,161.33	3,072.40	1,67,053.69	1,13,814.82	2,907.39	11,920.23	1,22,827.66	45,655.99		

* Includes Lease hold land of ₹552.77 Lakhs

Notes forming part of Consolidated Financial Statements

		Face value	31.03.2014 Nos.	31.03.2013 Nos.	31.03.2014 Amount	31.03.2013 Amount
11	NON-CURRENT INVESTMENTS					
	Investments in Equity Instruments (At Cost)					
	Non Trade- Quoted-Fully paid up					
	Cholamandalam Investment & Finance Co. Limited	10	3,42,562	3,42,562	267.88	267.88
	Lakshmi Automatic Loom Works Limited	10	4,41,110	4,41,110	88.89	88.89
	Pricol Ltd	1	24,975	24,975	2.52	2.52
	Rajshree Sugars & Chemicals Limited	10	1,00,000	1,00,000	10.00	10.00
	The Lakhmi Mills Company Limited	100	26,916	39,297	137.91	201.34
	JSW Steel Limited	10	3,89,647	3,89,647	5,314.79	5,314.79
	Indian Bank	10	69,562	69,562	63.30	63.30
	Non Trade- Unquoted -Fully paid up					
	Pugoda Textiles Lanka Ltd, Sri Lanka (Shares vested with Govt. of Sri Lanka for compensation)	10	67,50,000	67,50,000	483.83	483.83
	Sharada Chambers Premises Co-op Society Ltd	50	5	5	0.01	0.01
	Lakshmi Machine Works Employees Co-op Stores Ltd	10	500	500	0.05	0.05
	REPCO Bank	10	750	750	0.08	0.08
	Total				6,369.26	6,432.69
	Aggregate Value of quoted investments					
	Cost				5,885.30	5,948.73
	Market value				5,658.17	4,414.66
	Aggregate amount of unquoted investments				483.96	483.96

		(₹ in Lakhs)	
		As at 31st March, 2014	As at 31st March, 2013
12	LONG-TERM LOANS AND ADVANCES		
	(Unsecured, considered good)		
	Capital Advances	811.46	1,359.61
	Loans and advances to related parties:		
	Lakshmi Ring Travellers (CBE) Limited	250.00	450.00
	Other advances & deposits	750.97	933.30
	Advance taxes (Net of Provisions therefor)	464.84	470.15
	TOTAL	2,277.27	3,213.06

13 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)			
	Raw materials	18,805.76	16,290.31
	Work-in-progress	9,962.16	5,823.42
	Finished goods	3,288.65	4,289.06
	Stores and spares	1,423.53	664.29
	TOTAL	33,480.10	27,067.08

Notes forming part of Consolidated Financial Statements

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
14 TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the due date	1,300.00	998.32
Others	14,016.64	11,091.35
TOTAL	15,316.64	12,089.67
15 CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
In Current Account	2,738.88	1,700.47
Cash on hand	14.11	15.69
Other Bank Balances		
Deposits held as margin money	0.73	24.41
Bank deposits with less than 12 months maturity	86,563.27	73,900.26
Other Bank Deposits	1,932.74	1,147.84
Unpaid Dividend Account	98.26	152.30
TOTAL	91,347.99	76,940.97
16 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Loans and advances to related parties:		
Lakshmi Ring Travellers (CBE) Limited	200.00	200.00
Others :		
Unsecured recoverable in cash or in kind, or for value to be received	5,101.81	5,348.94
Balance with Central Excise, Sales Tax, Customs etc	4,801.31	3,426.62
Prepaid expenses	94.99	116.39
TOTAL	10,198.11	9,091.95
17 OTHER CURRENT ASSETS		
Interest accrued on Bank Deposits	3,182.40	2,505.17
Income Receivable	1,834.45	936.71
TOTAL	5,016.85	3,441.88
	Year ended 31st March, 2014	Year ended 31st March, 2013
18 REVENUE FROM OPERATIONS		
a) Gross Sale of products	2,44,536.33	2,15,853.37
Less : Excise Duty	18,415.56	19,433.14
b) Net Sale of products	2,26,120.77	1,96,420.23
c) Other operating revenues:		
Repair & Service Charges & Miscellaneous Income	3,870.74	2,753.87
Sale of scrap	972.31	883.22
Export Incentives	2,820.98	1,658.51
TOTAL (a+c)	7,664.03	5,295.60
TOTAL (a+c)	2,52,200.36	2,21,148.97

Notes forming part of Consolidated Financial Statements



	(₹ in Lakhs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
19 OTHER INCOME		
Interest Income	7,947.60	7,002.44
Dividend Income	61.06	46.63
Rental income	45.49	62.89
Foreign Exchange Gain (Net)	920.51	(50.96)
Profit on sale of assets	1,816.63	410.79
Sale of Wind Energy	120.95	118.60
Sale of Carbon credit	24.63	41.71
Profit on sale of Investments	119.06	-
TOTAL	11,055.93	7,632.10
20 COST OF MATERIALS CONSUMED		
Opening Stock	16,290.31	16,356.61
Add : Purchases	1,60,418.38	1,36,584.26
Less : Sales	10,244.24	9,118.63
Closing Stock	18,805.76	16,290.31
Cost of materials consumed	1,47,658.69	1,27,531.93
21 CHANGES IN INVENTORY OF FINISHED GOODS AND WIP		
Opening Stock		
Finished Goods	4,289.06	1,647.44
Work in Progress	5,823.42	4,610.14
TOTAL	10,112.48	6,257.58
Closing Stock		
Finished Goods	3,288.65	4,289.06
Work in Progress	9,962.16	5,823.42
TOTAL	13,250.81	10,112.48
Stock (Increase) / Decrease	(3,138.33)	(3,854.90)
22 EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	19,551.26	16,082.62
Contribution to provident and other funds	2,167.25	1,036.11
Welfare expenses	2,211.98	1,853.36
TOTAL	23,930.49	18,972.09
23 OTHER EXPENSES		
Sales Commission to Agents	5,298.41	5,536.71
Consumption of stores and spare parts	7,301.56	7,275.38
Consumption of Packing Material	4,913.64	4,231.47
Power and fuel (Net of wind energy ₹4,425.05 Lakhs; Previous period ₹3,569.62 Lakhs)	4,222.92	4,602.10
Rent	339.47	260.56
Repairs to buildings	876.91	1,161.01
Repairs to machinery and others	3,548.03	4,087.42
Insurance	131.73	139.68
Rates and taxes, excluding taxes on income	226.85	484.69
Auditors' remuneration	33.22	31.93
Loss on sale of assets	12.19	11.53
Donations	225.87	180.12
Directors Sitting fees	26.67	26.28
Non executive Directors' Commission	30.00	124.98
Miscellaneous expenses (Refer Note 24.3)	11,037.99	8,215.17
TOTAL	38,225.46	36,369.03

Notes forming part of Consolidated Financial Statements

24 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

24.1 The Subsidiary Companies considered in the consolidated Financial Statements and their reporting dates are as under :

Name of the Company	Country of incorporation	% of Ownership Interest	Reporting date
For 31.3.2014			
LMW Textile Machinery (Suzhou) Co. Ltd	China	100.00	31.03.2014
For 31.3.2013			
LMW Textile Machinery (Suzhou) Co. Ltd	China	100.00	31.03.2013

	(₹ in Lakhs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
24.2 Contingent Liabilities		
Letters of Credit	2,722.62	3,147.41
Bank Guarantees	1,687.05	1,471.69
Central Excise Demand	472.63	443.99
Income Tax Demand	653.26	513.05
Disputed tax dues are appealed before concerned appellate 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.		
Estimated amount of Contracts remaining to be executed on Capital account and not provided for net of advances	436.60	529.80
24.3 Details of Miscellaneous expenses :		
Printing & Stationery	181.33	163.91
Postage, Telegrams & Telephones	198.09	166.74
Travelling Exps & Maint. of Vehicles	1,685.59	1,706.00
Bank Charges, LC Commission etc.,	136.18	85.44
Legal & Professional Charges	685.71	447.35
Subscription to Associations & Periodicals	20.91	32.13
Research & Development	1,306.32	1,035.76
Miscellaneous Expenses	690.82	507.66
Sales Expenses	1,420.60	1,024.36
Security and Other Service expenses	1,364.70	1,045.29
Advertisement & Publicity	464.46	787.00
Export Expenses	2,774.45	1,140.16
Royalty	108.83	73.37
TOTAL	11,037.99	8,215.17

24.4 In the opinion of the Board of Directors, assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

Notes forming part of Consolidated Financial Statements

	(₹ in Lakhs)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
24	ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)	
24.5 Details of dividend proposed:		
Amount of dividend proposed to be distributed to equity share holders	3,379.95	2,253.30
Amount of dividend per equity share (In ₹)	30.00	20.00
24.6 Amounts set aside to Reserves :		
To General Reserve	1,850.00	1,200.00
(From)/ To Investment fluctuation Reserve	(1,556.75)	144.94
24.7 Finance Costs		
Interest under Income Tax Act	12.00	9.22
Bill discounting charges	43.98	27.38
TOTAL	55.98	36.60

	(₹ in Lakhs)					
	Gratuity (Funded)			Leave Encashment (Funded)		
	31.03.2014	31.03.2013	31.03.2012	31.03.2014	31.03.2013	31.03.2012
24.8 EMPLOYEE BENEFITS						
I. Defined Benefit Plans						
A. Expense recognised during the year						
1. Current Service cost	375.33	291.72	296.77	116.16	246.58	42.64
2. Interest cost	465.72	390.22	365.17	49.91	24.41	22.90
3. Expected return on plan assets	(452.37)	(403.05)	(396.83)	(47.13)	(76.29)	(28.07)
4. Actuarial Losses / (Gains) during the year	710.89	(225.80)	37.26	(3.38)	(19.10)	(120.65)
5. Total Expense	1,099.56	53.09	302.37	115.56	175.60	(82.18)
B. Actual return on Plan assets						
1. Expected return on plan assets	452.37	403.05	396.83	47.13	76.29	28.07
2. Actuarial (Loss) / Gain on Plan assets	236.46	65.04	40.59	(228.49)	(5.67)	86.73
3. Actual return on plan assets	688.83	468.09	437.42	(181.37)	70.62	114.80
C. Net Asset/(Liability) recognised in the Balance Sheet						
1. Present value of the obligation at the end of the year	6,416.01	5,437.81	5,192.18	582.47	542.51	314.03
2. Fair value of plan assets as at the end of the year	6,208.93	5,729.09	5,188.40	542.97	512.82	459.94
3. Funded status surplus/(deficit)	(207.09)	291.28	(3.78)	(39.49)	(29.69)	145.91
4. Unrecognised past service cost	-	-	-	-	-	-
5. Net Asset/(Liability) recognised in the Balance Sheet	(207.09)	291.28	-	(39.49)	(29.69)	-

Notes forming part of Consolidated Financial Statements

24 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

24.8 EMPLOYEE BENEFITS (Contd.)

(₹ in Lakhs)

	Gratuity (Funded)			Leave Encashment (Funded)		
	31.03.2014	31.03.2013	31.03.2012	31.03.2014	31.03.2013	31.03.2012
I. Defined Benefit Plans (Contd.)						
D. Change in Present value of the Obligation during the year						
1. Present value of the obligation at beginning of year *	5,437.81	5,192.18	4,659.50	542.51	314.03	291.01
2. Current service cost	375.33	291.72	296.77	116.16	246.58	42.64
3. Interest cost	465.72	390.22	365.17	49.91	24.41	22.90
4. Benefits paid	(810.19)	(275.55)	(207.12)	105.76	(17.74)	(9.60)
5. Actuarial (gain) / loss on obligation	947.35	(160.76)	21.60	(231.88)	(24.77)	(32.92)
6. Present value of obligation at end of the year	6,416.01	5,437.81	5,192.18	582.47	542.51	314.03
E. Change in Plan Assets during the year						
1. Fair value of plan assets at the beginning of the year *	5,729.09	5,188.61	4,944.11	512.82	459.94	354.74
2. Expected return on plan assets	452.37	403.05	396.83	47.13	76.29	28.07
3. Contributions made	601.19	347.94	13.99	105.76	-	-
4. Benefits paid	(810.19)	(275.55)	(207.12)	105.76	(17.74)	(9.60)
5. Actuarial gain / (loss) on plan assets	236.46	65.04	40.59	(228.49)	(5.67)	86.73
6. Fair value of plan assets at the end of the year	6,208.93	5,729.09	5,188.40	542.97	512.82	459.94
F. Net actuarial Gain / Loss recognised						
1. Actuarial (gain) / loss on Benefit Obligation	947.35	(160.76)	49.73	(231.88)	(24.77)	(32.92)
2. Actuarial gain / (loss) on Plan assets	236.46	65.04	40.59	(228.49)	(5.67)	86.73
3. Net Actuarial (gain) / loss recognised	710.89	(225.80)	9.14	(3.38)	(19.10)	(120.65)
G Major categories of plan assets as a percentage of total plan						
1. Qualifying insurance policies	5,806.90	5,696.17	5,175.09	542.97	512.82	459.74
2. Own plan assets	402.03	32.92	13.31	-	-	-
	6,208.93	5,729.09	5,188.40	542.97	512.82	459.94
H. Actuarial Assumptions						
1. Discount rate	9.20%	8.05%	8.00%	9.20%	8.25%	8.25%
2. Salary escalation	8.50%	7.37%	7.00%	8.50%	7.37%	7.00%
3. Expected rate of return on plan assets	8.00%	8.05%	8.00%	9.20%	9.20%	13.80%
4. Attrition rate	7.00%	6.50%	2.00%	7.00%	6.50%	2.00%
5. Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

* Opening balances of Gratuity as on 1.4.2012 include figures relating to LMW Machinery Limited on account of amalgamation with effect from 01.04.2012

Notes forming part of Consolidated Financial Statements

24 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

24.8 EMPLOYEE BENEFITS (Contd.)

Note:

The salary escalation considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Gratuity is applicable to all permanent and full time employees of the company.

Gratuity payment is based on last drawn basic salary and dearness allowance at the time of termination or retirement. The Scheme takes into account each completed year of service or part thereof in excess of six months. The entire contribution is borne by the company.

Leave encashment benefits are provided as per the rules of the Company. The liabilities on account of defined benefit obligations are expected to be contributed within the next financial year.

II. DEFINED CONTRIBUTION SCHEMES	31.03.2014	31.03.2013	31.03.2012
Provident Fund Contribution	943.27	800.25	712.69

24.9 Segment Report for the year ended 31st March 2014

(₹ in Lakhs)

PRIMARY - BUSINESS SEGMENT	Textile Machinery Division		Machine Tool & Foundry Division		Advanced Technology Centre		Total	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Revenue								
External Sales (Net)	2,02,543.70	1,72,867.04	23,103.67	23,495.97	473.40	57.21	2,26,120.77	1,96,420.22
Inter Segment Transfers	1,093.76	1,239.65	207.16	90.74	-	-	1,300.92	1,330.39
Allocable other income	9,084.64	5,292.15	471.98	303.38	990.13	408.89	10,546.75	6,004.42
Segment Revenue	2,12,722.10	1,79,398.84	23,782.81	23,890.09	1,463.53	466.10	2,37,968.44	2,03,755.03
Less : Inter Segment Transfers							1,300.92	1,330.39
Add : Unallocable other Income							8,173.21	6,923.28
Enterprise revenue							2,44,840.73	2,09,347.92
Result								
Segment Result	19,999.35	13,116.41	1,187.91	1,383.26	(1,314.22)	(2,033.20)	19,873.04	12,466.47
Less : Unallocable Expenses							1,146.36	980.20
Operating Profit							18,726.67	11,486.27
Less : Interest Expenses							55.98	36.60
Incometax expenses (Current)							8,963.34	6,596.42
Incometax expenses (Deferred)							(1,025.76)	(1,181.98)
Add : Unallocable Other Income							8,173.21	6,923.28
Net Profit after Tax							18,906.32	12,958.51

Notes forming part of Consolidated Financial Statements

24 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

24.9 Segment Report for the year ended 31st March 2014 (Contd.)

(₹ in Lakhs)

PRIMARY - BUSINESS SEGMENT	Textile Machinery Division		Machine Tool & Foundry Division		Advanced Technology Centre		Total	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Other Information								
Segment assets	1,73,707.47	1,57,707.69	25,838.27	18,387.15	446.53	935.61	1,99,992.27	1,77,030.45
Add : Unallocable corporate assets							6,834.10	6,902.84
Enterprise Assets							2,06,826.37	1,83,933.29
Segment Liabilities	86,723.46	79,994.62	4,936.95	4,291.36	132.90	71.16	91,793.31	84,357.14
Add : Unallocable corporate liabilities							1,15,033.06	99,576.15
Enterprise Liabilities							2,06,826.37	1,83,933.29
Capital Expenditure	7,183.15	3,681.70	488.41	432.61	175.00	446.23	7,846.56	4,560.54
Depreciation	8,926.22	10,095.78	591.03	643.19	931.36	1,181.26	10,448.61	11,920.23
SECONDARY - GEOGRAPHICAL SEGMENT								
(a) Revenue from external customers by location of customers								
Domestic Segment							1,76,387.96	1,73,308.90
Export Segment							49,732.81	23,111.33
Total Revenue							2,26,120.77	1,96,420.23
(b) Carrying amount of Segment Assets								
Within India	1,59,626.75	1,46,915.00	25,838.28	18,387.15	446.53	935.61	1,85,911.56	1,66,237.76
Outside India	14,080.71	10,792.69	-	-	-	-	14,080.71	10,792.69
Total	1,73,707.46	1,57,707.69	25,838.28	18,387.15	446.53	935.61	1,99,992.27	1,77,030.45
(c) Capital Expenditure								
Within India	3,406.59	3,500.07	488.41	432.61	175.00	446.23	4,070.00	4,378.91
Outside India	3,776.56	181.63	-	-	-	-	3,776.56	181.63
Total	7,183.15	3,681.70	488.41	432.61	175.00	446.23	7,846.56	4,560.54

Notes :

- The Company is organised into three main Business Segments viz., (1) Textile Machinery Division (2) Machine Tool Division & Foundry Division and (3) Advanced Technology Centre for Aero Space-Parts & Components
- The Secondary Geographical Segments considered for disclosure are Revenue from Customers located within India & China (Domestic Segment) and Revenue from customers located outside India & China (Export Segment).
- Inter Segment transfers are accounted on cost plus basis vis-a-vis at competitive market price charged to Unaffiliated customers for similar goods.
- Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Notes forming part of Consolidated Financial Statements

24 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

24.10 Related Party Disclosures

1) Related Party Relationships

Key Management Personnel

Sri. Sanjay Jayavarthanelu, Chairman and Managing Director
Sri. R. Rajendran, Director Finance

Other Related Parties-Associates

Dhanuprabha Agro P Ltd	Mahalakshmi Engineering Holdings Limited
Eshaan Enterprises Limited	Quattro Engineering India Limited
Harshini Textiles Limited	Revantha Holdings Limited
Hermes Academy of Training Limited	Revantha Builders Ltd
Lakshmi Cargo Company Limited	Revantha Agro Farms P Ltd
LCC Cargo Holdings Limited	Sowbarniha Resorts Private Limited
Lakshmi Caipo Industries Ltd	Sri Kamakoti Kamakshi Textiles P Ltd
Lakshmi Engg & Environment Designs Ltd	Sri Lakshmi Vishnu Plastics
Lakshmi Electrical Drives Limited	Sudhsruti Agro P Ltd
Lakshmi Technology & Engg. Industries Ltd	Super Sales India Limited
Lakshmi Ring Travellers (CBE) Limited	Supreme Dairy Products India Ltd
Lakshmi Electrical Control Systems Limited	Starline Travels Limited
Lakshmi Precision Tools Limited	Titan Paints & Chemicals Limited
Lakshmi Life Sciences Limited	Venkatavaradha Agencies Limited
Lakshmi Vignesh Corporate Services Ltd	Walzer Hotels Limited

Note : Related party relationships are as identified by the Management

2) Related Party Transactions

(₹ in Lakhs)

	Other Related Parties-Associates		Key Management Personnel	
	31.03.14	31.03.13	31.03.14	31.03.13
Purchase of goods	26,233.65	18,258.07	-	-
Sale of goods	9,239.24	7,158.67	-	-
Purchase of Fixed Assets	68.95	-	-	-
Sale of Fixed Assets	1,964.31	331.66	-	-
Rendering of Services	88.55	93.86	-	-
Receiving of Services	9,400.18	7,634.56	-	-
Agency arrangements	1,262.25	1,270.09	-	-
Managerial Remuneration	-	-	830.60	616.88
Loans received back	200.00	200.00	-	-
Interest receipts	57.84	77.82	-	-
Outstanding Payables	2,447.59	1,639.76	506.13	320.61
Outstanding Receivables	2,245.89	3,027.47	-	-

Notes forming part of Consolidated Financial Statements

24 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

24.10 Related Party Disclosures (Contd.)

Disclosure in respect of Material Related Party Transaction during the year :

- Purchase of Goods Lakshmi Electrical Control Systems Limited ₹14,544.07 Lakhs (Previous Year ₹12,079.66 Lakhs), Lakshmi Electrical Drives Limited ₹3,399.10 Lakhs (Previous Year ₹2,970.74 Lakhs); Super Sales India Limited ₹2,759.05 Lakhs (Previous year ₹1,046.67 Lakhs) and Other Related parties- Associates ₹5,531.43 Lakhs (Previous Year ₹2,161 Lakhs)
- Sale of Goods includes Lakshmi Electrical Control Systems Limited ₹7,831.52 Lakhs (Previous Year ₹6,656.68 Lakhs) and Other related Parties - Associates ₹1,407.72 Lakhs (Previous Year ₹501.99 Lakhs)
- Purchase of Fixed Assets includes Quattro Engineering India Limited ₹68.95 Lakhs (Previous Year ₹Nil Lakhs)
- Sale of Fixed Assets includes Super Sales India Ltd ₹23.81 Lakhs(Previous Year ₹99.44 Lakhs); Revantha Builders Ltd ₹Nil Lakhs (Previous year ₹231.00 Lakhs); Quattro Engineering P Ltd ₹1,935.00 Lakhs (Previous year ₹Nil Lakhs); and Other Related Parties-Associates ₹5.50 Lakhs (Previous Year ₹1.22 Lakhs)
- Rendering of Services includes Super Sales India Limited ₹27.50 Lakhs (Previous Year ₹23.54 Lakhs); Lakshmi Technology & Engineering Industries Ltd. ₹30.10 Lakhs (Previous year ₹32.87 Lakhs); Lakshmi Electrical Control Systems Limited ₹Nil Lakhs(Previous Year ₹0.61 Lakhs) and Others - Other Related Parties-Associates ₹30.95 Lakhs (Previous Year ₹36.84 Lakhs)
- Receiving of Services include Lakshmi Ring Travellers (CBE) Limited ₹624.38 Lakhs (Previous Year ₹573.51 Lakhs); Lakshmi Cargo Company Limited ₹5,568.08 Lakhs (Previous Year ₹4,180.71 Lakhs); Revantha Builders Ltd ₹635.51 Lakhs (Previous year ₹898.20 Lakhs) and Other Related Parties - Associates ₹2,572.21 Lakhs (Previous Year ₹1,982.14 Lakhs)
- Agency arrangement includes Super Sales India Limited ₹1,262.25 Lakhs (Previous Year ₹1,270.09 Lakhs)
- Managerial Remuneration includes amount paid to Sri. Sanjay Jayavarthanavelu ₹731.15 Lakhs (Previous Year ₹521.22 Lakhs). Sri.R.Rajendran ₹99.45 Lakhs (Previous year ₹95.66 Lakhs)
- Loan received back includes Lakshmi Ring Travellers (CBE) Ltd - ₹200.00 Lakhs (Previous Year ₹200.00 Lakhs)
- Interest receipts include Lakshmi Ring Travellers (CBE) Limited ₹57.84 Lakhs (Previous year ₹77.82 Lakhs)
- Outstanding Payables include Lakshmi Cargo Company Limited ₹428.44 Lakhs (Previous Year ₹234.43 Lakhs); Lakshmi Precision Tools Limited ₹125.75 Lakhs (Previous Year ₹85.76 Lakhs); Lakshmi Electrical Drives Ltd ₹400.75 Lakhs (Previous year ₹253.35 Lakhs) Super Sales India Limited ₹1,333.47 Lakhs (Previous Year ₹918.05 Lakhs); Sri. Sanjay Jayavarthanavelu ₹506.13 Lakhs (Previous year ₹320.61 Lakhs) and Other Related Parties -Associates ₹159.18 Lakhs (Previous Year ₹148.17 Lakhs)
- Outstanding Receivables include Lakshmi Electrical Control Systems Limited ₹1,125.30 Lakhs (Previous Year ₹1,021.15 Lakhs), Lakshmi Technology and Engineering Industries Limited ₹167.30 Lakhs (Previous Year ₹556.36 Lakhs); Lakshmi Ring Travellers (CBE) Ltd. ₹546.34 Lakhs (Previous year ₹1,276.64 Lakhs) and Others - Other Related Parties - Associates ₹406.95 Lakhs (Previous Year ₹173.32 Lakhs)

24.11 Fixed Assets include:

(₹ in Lakhs)

	Gross Block	Depreciation for the year	Accumulated Depreciation	Net Block
Assets leased out as on 31.03.2014				
Buildings	358.42	8.57	195.62	162.80
Assets leased out as on 31.03.2013				
Buildings	358.42	9.02	187.05	171.37

Income from leased Buildings of ₹45.49 Lakhs- is grouped in Rent receipts (Previous Year ₹62.89 Lakhs)

24.12 Earnings Per Share

	31.03.2014	31.03.2013
Net Profit after Tax [₹In Lakhs]	18,906.33	12,958.51
Weighted Average Number of Equity Shares	1,12,66,504	1,12,66,504
Nominal Value per Equity Share	10.00	10.00
Basic & Diluted Earnings Per Share [in ₹]	167.81	115.02

Notes forming part of Consolidated Financial Statements

24 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

24.13 Deferred tax liabilities (Net)

	Year ended 31st March, 2013	For the year	Year ended 31st March, 2014
			(₹ in Lakhs)
Deferred Tax Asset:			
On account of VRS	30.05	181.77	211.82
On account of others	0.57	(0.14)	0.43
	30.62	181.63	212.25
Deferred Tax Liability:			
On account of Depreciation	1,320.81	(844.13)	476.68
Deferred Tax Liabilities (Net)	1,290.19	(1,025.76)	264.43

- 24.14 a) The Company gives warranties for its products undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made at the end represents the amount of expected cost of meeting such obligations of rectification/replacements. The timing of the outflows is expected to be within a period of one year.

- b) Disclosures in terms of Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets"

	31.03.2014	31.03.2013
		(₹ in Lakhs)
	Provision for Warranty	
Particulars	31.03.2014	31.03.2013
Carrying amount at the beginning of the year	311.83	442.24
Additional provision made during the year	432.10	311.83
Amount used during the year	311.83	145.82
Unused amount reversed during the year	0.00	296.42
Carrying amount at the end of the year	432.10	311.83

- 24.15 Revenue Expenditure on Research & Development amounting to ₹1,298.32 Lakhs (Previous Year ₹1,032.73 Lakhs) has been charged to Statement of Profit and Loss (included in Miscellaneous expenses) and Capital expenditure relating to Research and Development amounting to ₹350.38 Lakhs (Previous Year ₹Nil Lakhs) has been included in Fixed Assets

- 24.16 (a) There are no derivative financial instruments either for hedging or for speculation outstanding as at the Balance Sheet date.

- (b) Foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

	Currency	Amount in foreign currency	Equivalent INR
		31.03.2014	31.03.2013
		31.03.2014	31.03.2013
Sundry creditors	CHF	10,846	3,991
	EUR	8,87,032	8,76,520
	GBP	1,115	1,185
	JPY	2,18,13,345	5,02,16,539
	SGD	-	30,412
	USD	3,08,095	5,65,967
	CNY	58,77,859	2,34,19,779
Sundry Debtors	USD	65,31,276	56,54,298
	EUR	3,57,177	7,25,316
	CNY	77,084	2,59,90,505
Bank Balances	KES	49,568	47,318
	BDT	15,852	1,42,135
	IDR	2,93,141	28,000
	USD	8,192	341
	CNY	3,52,64,552	2,25,29,882

24 ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- 24.17 The Exchange rate adopted for conversion of subsidiary accounts is as follows :
The Exchange Rate as at 31st March 2014 : 1 CNY = 9.6615 INR(Previous Year 8.7449 INR)
Average exchange rate : 2013-14 1 CNY = 9.9254 INR (Previous Year 8.6689 INR)
- 24.18 The fixed assets of the Subsidiary Company are depreciated on SLM Basis over their useful lives as against WDV Basis adopted by the Parent Company. Had that depreciation been provided on WDV basis, the depreciation would have been lower by ₹52.69 Lakhs (Previous Year ₹42.70 Lakhs) and the consolidated profit before tax would have been higher to that extent.
- 24.19 The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 & 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the Circular. The company has satisfied the conditions specified in the Circulars and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the consolidated financial statements.
- 24.20 Depreciation/ amortisation includes ₹13.25 Lakhs towards amortisation of leasehold land as per audited accounts of LMW Textile Machinery (Suzhou) Limited.
- 24.21 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our Report of even date
For M.S.Jagannathan & Visvanathan
Firm Registration No: 001209S
Chartered Accountants

Sanjay Jayavarthanelu
Chairman and Managing Director

per M.J.Vijayaraghavan
Partner
M.No.7534

R. Rajendran
Director Finance

K.Duraisami
Company Secretary

For Subbachar & Srinivasan
Firm Registration No: 004083S
Chartered Accountants

Place : Coimbatore
Dated : 23rd May, 2014

per T.S.V.Rajagopal
Partner
Membership No: 200380



LAKSHMI MACHINE WORKS LIMITED

Perianaickenpalayam, Coimbatore-641 020

Tel : 2692371-72, 6612255, Fax : 2692541-42

e : regd.off@lmw.co.in, w : www.lakshmimach.com