

Our Ref: Sec/BSE/2024
Date: 05.07.2024

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
Scrip Code: 500252

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex
Bandra(E), Mumbai – 400 051
Symbol: LAXMIMACH

Dear Sirs,

Sub: Annual Report for the year 2023-24.

We refer to our filing dated 04th July 2024, regarding the filing of the Annual Report, Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we attach herewith a copy of the updated Annual Report of the Company for the year 2023-24 containing the Annexure to Item No 10 of Notice to Shareholders for your records.

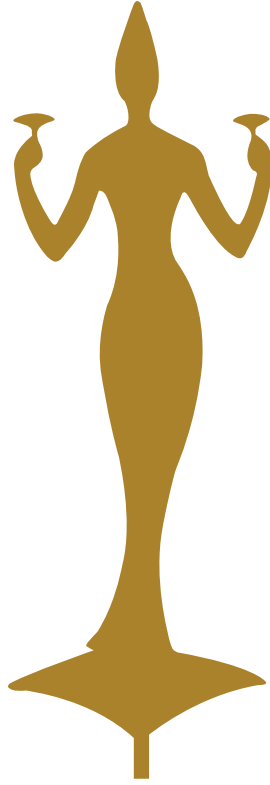
A copy of the updated Annual Report is also available on the website of the Company viz www.lmwglobal.com.

Thanking you,

Yours faithfully,

For LAKSHMI MACHINE WORKS LIMITED

C R SHIVKUMARAN
COMPANY SECRETARY



LMW®

LAKSHMI MACHINE WORKS LIMITED

ANNUAL REPORT 2023-24

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IN TODAY'S
WORLD, BUSINESS
ECOSYSTEMS ARE
CONSTANTLY
EVOLVING, AND
ENTERPRISES MUST
BE ADAPTABLE
TO FLOURISH.

For any enterprise, a strong core provides the flexibility to respond to these changes. It acts as the foundation for everything the business does.

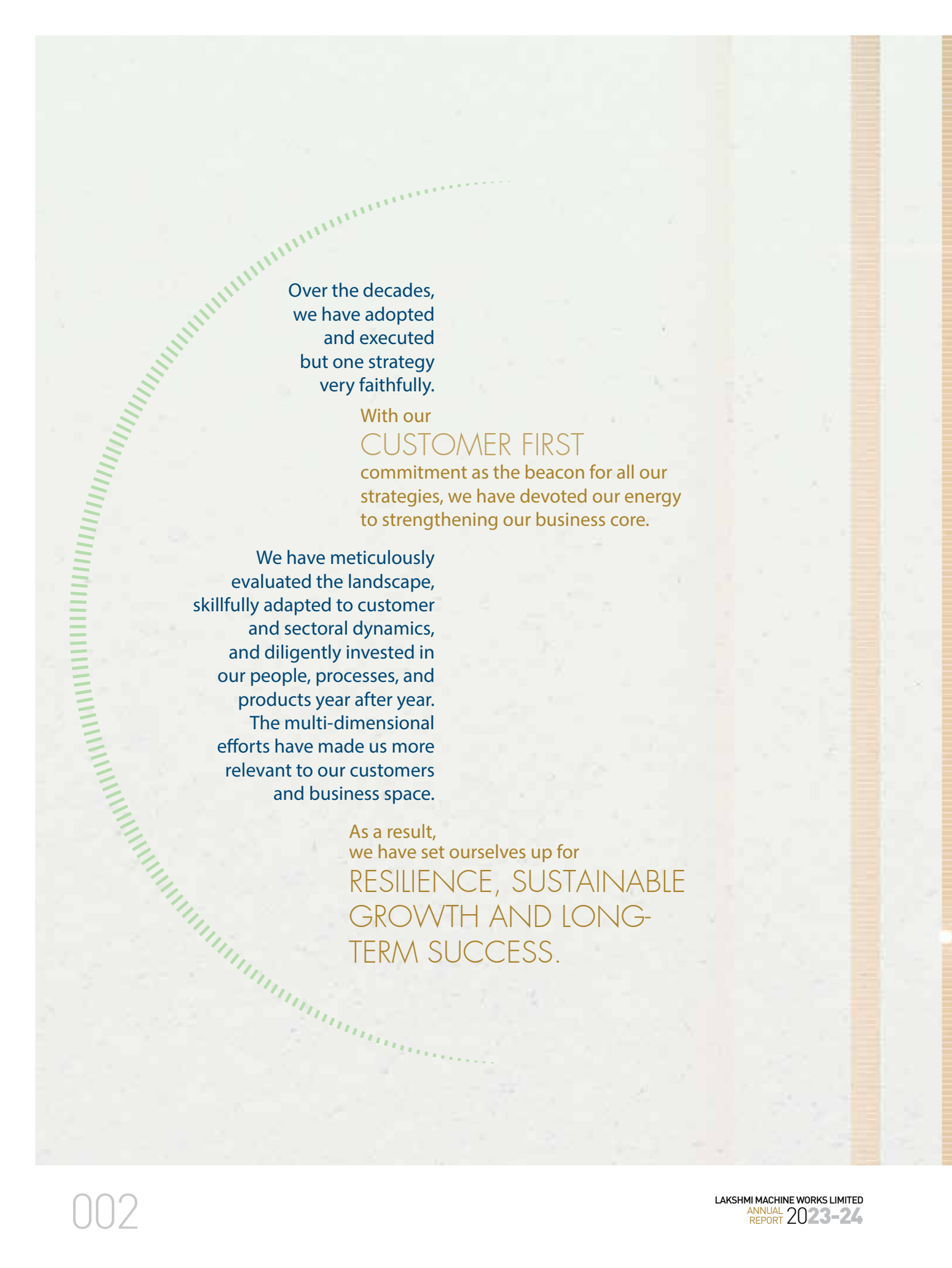
Helps define and amplify the unique strengths, value proposition, and target audience

Assists in identifying new opportunities that align with resident strengths and pivot when necessary

Ensures stable, efficient operations and provides a platform for future growth

Guarantees financial stability and operational efficiency to handle growth effectively

IN A NUTSHELL,
A STRONG CORE
PROVIDES A
SPRINGBOARD
FOR **SUSTAINABLE
GROWTH.**

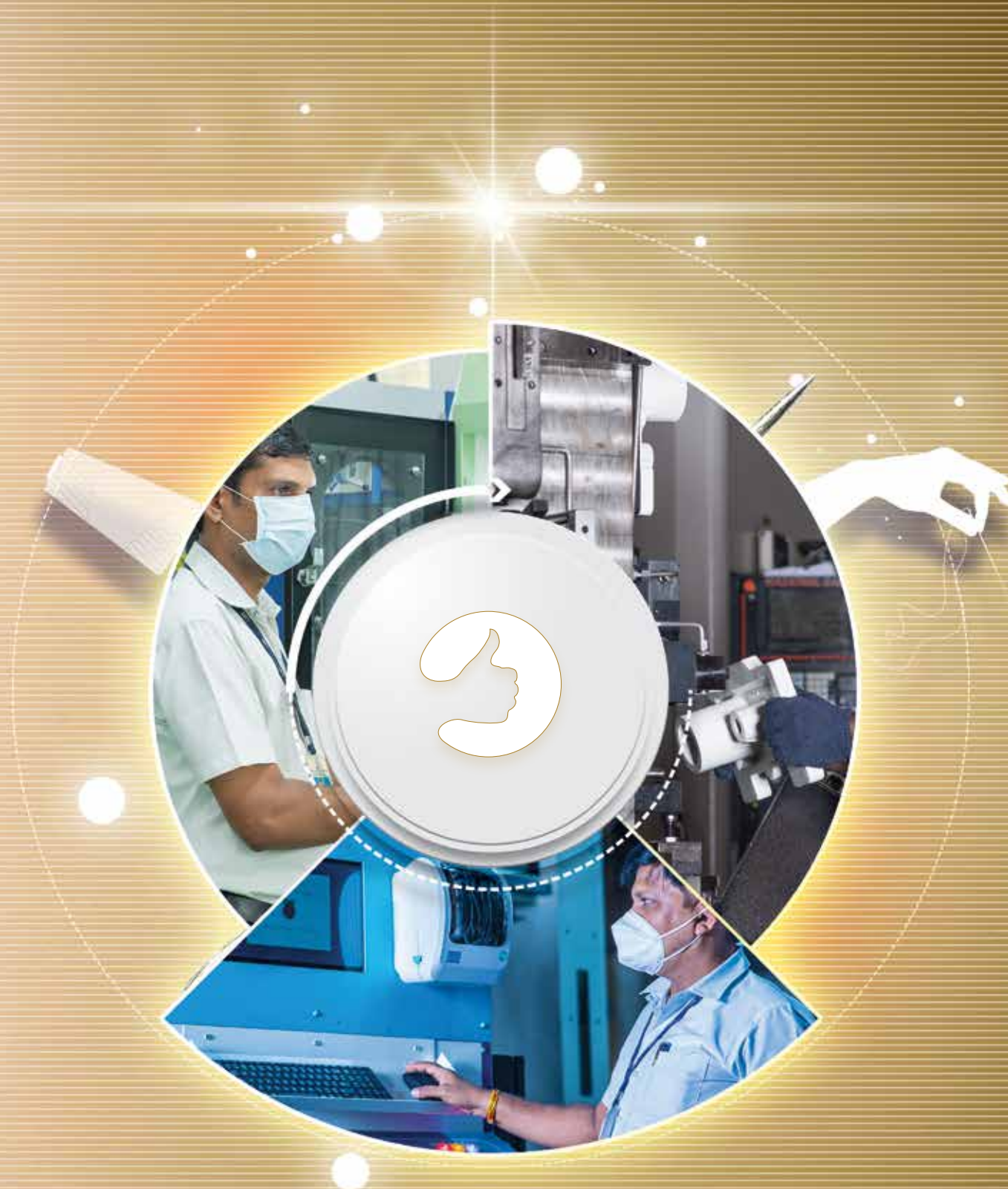


Over the decades,
we have adopted
and executed
but one strategy
very faithfully.

With our
CUSTOMER FIRST
commitment as the beacon for all our
strategies, we have devoted our energy
to strengthening our business core.

We have meticulously
evaluated the landscape,
skillfully adapted to customer
and sectoral dynamics,
and diligently invested in
our people, processes, and
products year after year.
The multi-dimensional
efforts have made us more
relevant to our customers
and business space.

As a result,
we have set ourselves up for
**RESILIENCE, SUSTAINABLE
GROWTH AND LONG-
TERM SUCCESS.**



OUR BUSINESS PLANNING

Business planning as a compass guides an enterprise towards its goals while enabling it to navigate obstacles along the way. In our world today, challenges are only increasing. They come at the most unexpected time and from the least anticipated quarter.

At LMW, our business growth warrants an intelligent business planning tool and a re-look at all our systems and processes to ensure their significance in today's complex world. This meticulous exercise will be the critical lifeline that will sustain our progressive journey.

In this light, we initiated essential measures:

Through our 'Strategic Business Planning' process, we will arrive at our medium-term ambition for the organisation and every business vertical. It helps us to devise paths that assist us in achieving our goal under multiple possible scenarios. The clarity we arrive at helps us to define the roadmap for every person, team, and division to sustain the Company's long-term success.

We are at the cusp of undertaking a multi-year drive through which we will assess and reassess every process for its relevance, re-imagine and improve it to enhance its resilience to every scenario. This initiative helps us build and lay a strong foundation for a flexible and agile organisation that can adapt to changing business realities.

Increased adoption and use of Business Analytics tools help the organisation to arrive at a 'Single Source of Truth', which, in turn, will help the organisation to understand trends and make data-backed decisions.

We are confident that our efforts towards fostering business excellence will uplift the organisation to greater heights.









STRENGTHENING THE CORE

OUR PEOPLE STRENGTH

People are core to the success of any business. They bring vital knowledge and expertise to a business, allowing it to adapt, evolve and stay ahead of the industry curve. Moreover, people are critical to establishing lasting customer relations, essential for business growth.

At LMW, our people are our invaluable strength. We understand that our people are the engines that will propel the organisation toward being future-ready. We continue to invest in our people in uplifting their knowledge and sharpening their skills. While we have covered quite some distance on this journey, the runway extends further every year.

To strengthen our learning and sharing culture, the Company has in place initiatives such as:

Competency Development programme: A continuing effort involving a comprehensive skill mapping exercise (using statistical tools) and using the gaps identified to develop the training calendar. We leveraged internal and external expertise for skill training and knowledge sharing.

Institutionalised new-age team engagement tools to infuse energy into teams. These tools helped improve business operations and solidified people bonding within departments and units.

The 'Leader Next' programme within the Company aims to build the leadership pipeline wherein specially curated development programmes seek to transition seamlessly star performers to leadership positions.

Our efforts will transform our team members into valuable partners who will equitably and intelligibly shoulder the responsibility of building LMW into an organisation that thrives in an evolving landscape.

OUR SHOPFLOOR OPERATIONS

For every manufacturing company, the shopfloor is the heart. It's the battleground for learning, the field for executing, and the domain for delivering. It's where all plans and strategies take shape into on-ground realities, and it's where reputation is built.

At LMW, this domain is the foundation of our being. It's the engine that has kept the enterprise successful. While much has been done to improve our shopfloor operations, much is being done to transform it into a well-oiled engine.

With this objective, we have rolled out strategic initiatives.

Even as the efforts at manufacturing excellence evolved from a planned practice into a habitual culture, the Company has introduced cutting-edge IT technology that captures the entire shopfloor operations on a screen and thereby effectively improves production planning, identifies shopfloor gaps and enhances man-machine productivity.

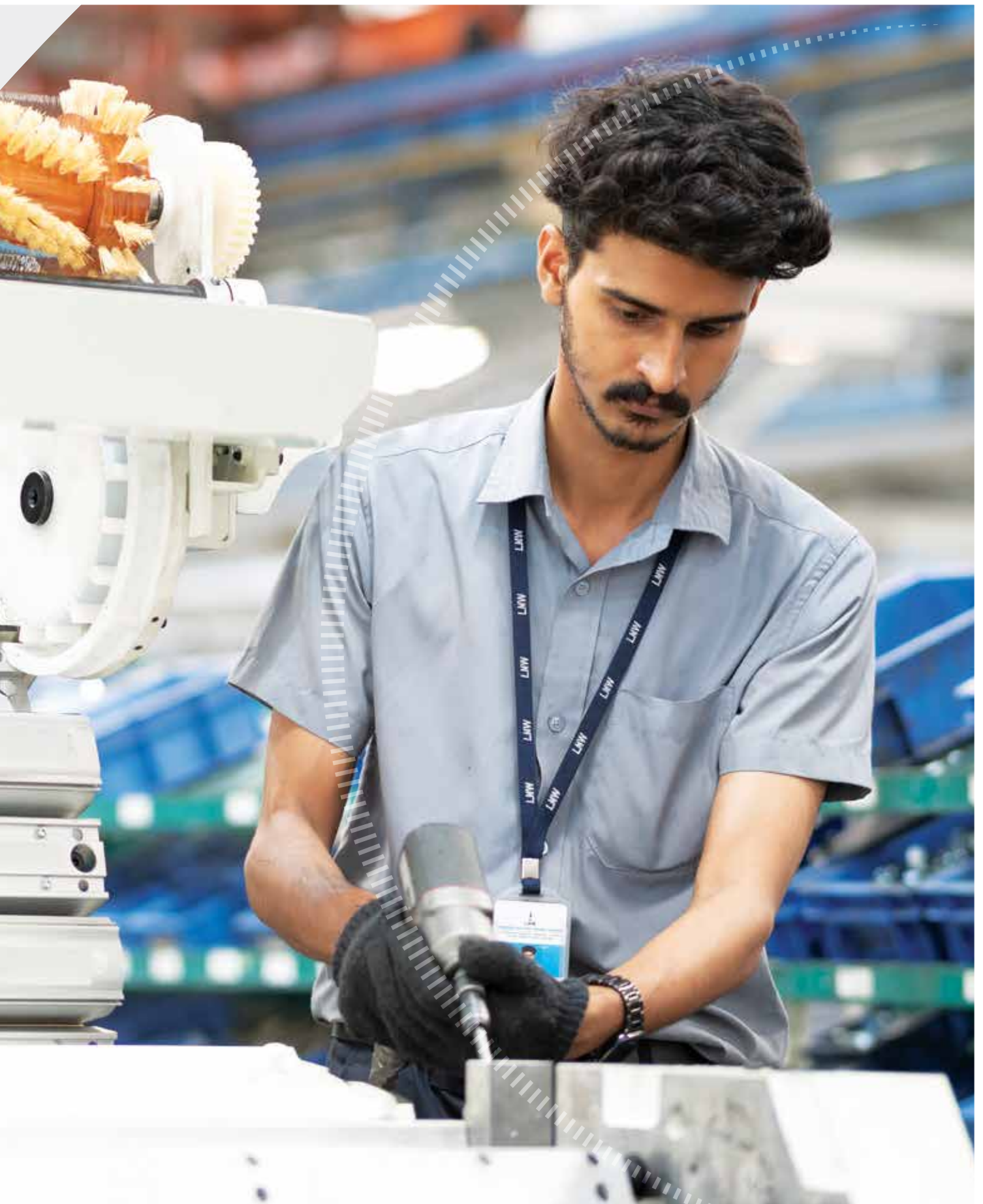
The Company ensures that its Total Productive Maintenance initiatives emerge as the change catalyst for assessing and realigning every process.

The immediate benefit was that machine uptime scaled and resource utilisation became more efficient.

The use of advanced IT solutions for automation in the supply chain to identify part requirements based on the production plan and ensure part availability on the floor just in time.

As a result, our shopfloor has emerged as a robust foundation for our continued success.





OUR SERVICE ABILITY

Machines stay on shop floors for years and sometimes decades. Recognising this reality, customers prefer brands that prioritise building relationships with customers, understanding their needs, and offering ongoing support. At LMW, we prioritise customer service as a means of growing our customers' businesses. We embed our machines with cutting-edge technology and focus on keeping them relevant throughout their life-cycle. We aim to be our customers' back office- literally- just a shout away.

We have underpinned our customer service commitment with the following initiatives:

We successfully launched performance enhancement kits to upgrade the efficiency and quality of our legacy machines and maintenance kits for our machines, which contain all the parts and spares required for periodic machine maintenance.

We introduced digital tools that allows us to connect remotely with our customers' machines, check their performance, diagnose issues, if any, and rectify solutions. Our customers' positive response has inspired us to proceed with new modules and features that would give us a deeper connect.

Our customer-friendly features on our portal allow our customers to understand their machines better, learn about available upgrades, book spares and reach out to the Company for assistance.

The Company is putting in place new customer outreach infrastructure across India and globally to ensure swift customer access and enhanced service efficiency.

Our efforts should help us make considerable headway in earning the invaluable recall of being a 'customer-centric' organisation.







THE CORPORATE

Started back in 1962, Lakshmi Machine Works, or LMW was established with the primary goal of helping Indian textile mills spin better yarn. However, today, in addition to being the leading manufacturer of textile machinery in India and around the world, they are also known for their expertise in metal casting, machine tools manufacturing and aerospace engineering.

LMW's product portfolio includes spinning machinery, weaving machinery, CNC machine tools and aircraft parts catering to the diverse needs of several marquee clients. With a strong focus on innovation and technology, LMW has earned a reputation for producing high-quality reliable machinery that enhances productivity and efficiency for its clientele.

Headquartered in Coimbatore, India, LMW has expanded its operations globally, serving customers in various countries and regions. The Company's commitment to

customer satisfaction, coupled with the dedication to continuous improvement and excellence in engineering, has propelled its growth and success in the industry. Beyond manufacturing, LMW also engages in community development initiatives and corporate social responsibility activities, contributing to the welfare and development of the communities where it operates.



FOUNDRY DIVISION (FDY)

Is the backbone for TMD and MTD. Also makes precision castings for marquee international clients.



TEXTILE MACHINERY DIVISION (TMD)

One of the few manufacturers in the world to offer the entire range of textile spinning machinery



MACHINE TOOL DIVISION (MTD)

Offers one of India's most comprehensive machine tools comprising Turning Centres, Machining Centres and Turnmill Centres.



ADVANCED TECHNOLOGY CENTRE (ATC)

Develops and manufactures components and sub-assemblies for the global aerospace industry.



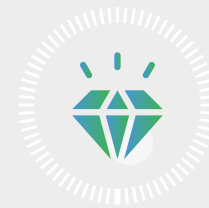
Vision

To enhance customer satisfaction and our image globally, achieve exponential growth, and attain leadership through world-class products and services.



Mission

To deliver greater value to our customers by providing complete, competitive solutions through technological leadership and manufacturing excellence that is responsive to dynamic marketing needs.



Values

- › Excellence
- › Integrity
- › Learning and sharing
- › Contribution to industry and society





FROM THE
CHAIRMAN'S DESK

WE ARE CHARTING A PATH
TOWARDS A BRIGHTER HORIZON
FOR OUR CUSTOMER, MINDFUL OF
THE IMPACT WE CREATE. WHEN
WE ACHIEVE OUR GOALS, WE
WILL HAVE POSITIONED OURSELVES
AS A **PREFERRED PARTNER TO
ALL OUR STAKEHOLDERS**

DEAR SHAREHOLDERS,

IAM pleased to report another year of satisfactory performance.

As we reflect on FY24, we acknowledge the impact of the intensifying geopolitical stress and the resultant economic upheaval on our customers and user sectors. During the year under review, we deftly maneuvered through these headwinds. Our progress in a year of global volatility is a testament to the team's hard work, resilience, and unwavering commitment to move forward. Beyond the visible achievements, FY24 was an important milestone as we embarked on a multi-year journey of strengthening our core,

a critical initiative that will go a long way towards sustaining profitable growth over the long term.

The core of our business is our customers. In our business, which is primarily capital equipment manufacturing, our transaction initiates the relationship with our customer, which in most cases extends for decades. For us, Strengthening the Core means solidifying our ethos of customer-centricity. The blueprint of our journey will focus on three aspects: 1) Strengthening our focus on the customer landscape, 2) Strengthening our commitment to our values, and 3) Strengthening our commitment to deliver.

WE ARE GOING DEEPER INTO OUR PRODUCT LIFE-CYCLE TO UNEARTH OPPORTUNITIES TO DESIGN BETTER, MANUFACTURE AND PACKAGE OUR PRODUCTS.

Strengthening our focus on the customer landscape

Our customers' world is evolving swiftly owing to the rapidly changing trends, intensifying geopolitical stresses, and growing fragilities prevailing worldwide.

Under the circumstances, we recognise that our primary responsibility is to provide compelling solutions that allow our customers to operate with ease and grow their businesses sustainably.

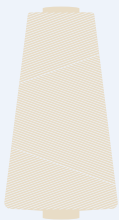
We are taking a new approach. We will deliberately endeavour to reposition ourselves as a comprehensive solution provider to address our customers' evolving changes in products and processes. This is an ambitious goal because it will require us to integrate all our business functions as a cohesive force to envision the changing ecosystem and ideate and develop sustainable solutions.

Strengthening our commitment to our values

For graduating into a life-cycle solution provider to our customers, we will need to sharpen our commitment to our values appreciably.

We will need to up our excellence quotient across the value chain- ideating and designing our products, manufacturing our products, servicing our customers and conducting our business and customer relations with integrity. In a nutshell, we will need to raise our excellence ranking on the customer experience chart a few notches.

To make this a reality, we will need to, individually and collectively, unlearn legacy practices, relearn and institutionalise contemporary processes, and infuse digital solutions in every aspect of our business to upgrade us into a smart enterprise that is alive, alert and agile to the ever-evolving sectoral and customer ecosystem.



Strengthening our commitment to deliver on our values

This would be the ultimate test of everything we aim for. We need to make it happen for our customers, stand up and deliver, and make every customer feel special by embedding the culture of continuous excellence, learning and integrity into everything we do at LMW.

I am happy to state that we have taken some definitive steps in our journey, which has been appreciated by our customers. This encourages us to move forward towards creating an exceptional experience for them.

In closing

The change which we have visualised is genuinely invigorating. It is our opportunity to learn, grow, and push the boundaries of what's possible. While there will be challenges and moments of uncertainty, we will approach them with a spirit of curiosity and a relentless drive to succeed.

We are charting a path towards a brighter horizon for customers, ourselves, our Company, and the impact we create. When we achieve our goals, we will have positioned ourselves as preferred partners to our customers in all our businesses. By making their businesses successful, we will make our business growth sustainable.

Acknowledgment

As we move forward in our aspirations positively, I would like to gratefully acknowledge the unwavering support of our customers and the dedication of our employees, both of which have been instrumental in the steady progress the Company has made thus far and would like to assure you of our continuing endeavours in reaching new heights together on our journey year after year.

I THANK THE BOARD MEMBERS FOR THEIR CONTINUED SUPPORT AND GUIDANCE, OUR SHAREHOLDERS FOR THEIR CONTINUED FAITH AND ALL OUR STAKEHOLDERS, NAMELY CUSTOMERS, VENDORS, GOVERNMENT AUTHORITIES AND THE LOCAL COMMUNITY FOR THEIR CONTINUED SUPPORT.

Regards,

Sanjay Jayavarthanelu
CHAIRMAN & MANAGING DIRECTOR

MANAGEMENT DISCUSSION & ANALYSIS



WORLD ECONOMY

In 2023, the global economy exhibited better-than-expected resilience in the face of monetary policy tightening. Inflation declined across the world - it was more pronounced in emerging markets than in their developed counterparts.

Global factories ended 2023 on a weaker note, with output dropping marginally in December for seven successive months, driven by slumps in the Eurozone and China.

Global merchandise trade dropped by 1% in 2023 owing to lower demand in developed countries, ongoing geopolitical tensions, escalating debt and widespread economic uncertainties.

Healthy expansion was witnessed in emerging economies that benefited from the demand from Rest of the World and high commodity prices. A rise in private and government spending was also seen despite tight monetary measures.

Consumer spending is increasing, indicating a positive trend in economic activity. However, the recovery appears more pronounced among consumers in the higher income bracket.

Outlook: The global economy will continue to grow but at a slow pace. Much of the weakness is attributable to the weak economic environment in China and Europe. However, emerging economies will do better to the extent of 4% in 2024 and beyond. However, the prime risks remain, namely a renewed uptick in consumer price inflation and increasing geopolitical risks.

Economy	Growth %	Projections %	
	2022	2023	2024
World economy	3.5	3.2	3.2
Advanced economies	2.6	1.6	1.7
Emerging markets & developing economies	4.1	4.3	4.2

(Source: IMF, World Economic Outlook, April 2024 | World Economic Outlook, October 2023)



INDIAN ECONOMY

Marking the third straight year of healthy performance after the pandemic, the Indian economy has achieved an estimated growth of ~8% in FY24. It shows the resilience and potential of the Indian economy amid external headwinds when global economies are still struggling to grow at even 2%.

This growth in the world's fifth-largest economy is underpinned by domestic demand, adequate private and public investment in infrastructure and policy reforms.

Inflation softened in FY24, although food inflation remains a worry, climbing by 9.5% in December 2023. However, headline inflation remained within the tolerance band of RBI for most of the financial year, thanks to the tight monetary policy of the central bank and timely government measures to curb the price rise.

India's manufacturing sector witnessed continued growth, fuelled by government initiatives like PLI schemes. The IIP (Index of Industrial Production) from April 2023 to February 2024 grew at 5.9% compared to 5.6% in the corresponding period of the previous year.

During FY24, with a gross amount of ₹20.18 lakh crore, the total GST collection posted a 11.7% growth year-on-year, showing increasing business activity.

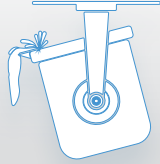
Current account deficit (CAD) narrowed sequentially to US\$10.50 billion in the quarter ended December 2023 (Q3 FY24) - 1.2% of gross domestic product (GDP) - from US\$11.40 billion in Q2 FY24 (1.3% of GDP). The deficit was also down from US\$16.80 billion or 2% of GDP in the year-ago period (Q3 FY23).

Outlook: India's GDP growth rate for the financial year 2024-25 receives a positive revision (close to or equal to 7%) by most global agencies and RBI while estimates annual inflation to remain at 4.5%.

However, the growth comes with challenges and risks. For instance, the slowdown in global growth could dampen the country's export momentum. The ongoing geopolitical tensions in Eastern Europe; troubles at the Red Sea and other geopolitical issues could disrupt supply chains and impact commodity prices again.

A sudden spike in inflation can further delay the interest rate cut by RBI.

BUSINESS DIVISION
ONE



FOUNDRY DIVISION

5,022

VOLUME SOLD,
FY24 (Tonnes)

105.18

REVENUE IN FY24
(₹ IN CRORES)



The foundry division is the critical backbone for LMW's textile machinery and machine tool divisions.

The majority of the output of the foundry division is consumed internally. The division also develops complex and large castings for marquee international brands in India and globally.

Performance in FY24

During the year under review, the operations staff in both units worked diligently towards meeting the requirements of both in-house and external customers. During the year, the division received its GreenCo Platinum certification (in June 2023), the highlight of the year.

Strengthening our core

The division continued to strengthen its environment management efforts. The team focused on optimising sand (a key raw material) and energy consumption; it focused on increasing the utilisation of renewable energy and green sourcing of resources for business operations. This would help the division strengthen its contribution to the Company's growth momentum.

The business space

A foundry is the beginning of many manufacturing processes. From the gears that run the textile machinery to the sturdy frame that supports complicated structures, casting is the backbone of almost all engineering efforts.

Castings are vital in many industries, including automotive, railway, construction, infrastructure,

machinery and equipment, pumps and valves, gears, aerospace, and defence. They are also strong and durable and can be shaped into complex forms.

Global landscape

The market for metal casting reached a valuation of US\$165.00 billion in 2023. The market is estimated to increase at a CAGR of 7.30% between 2024 and 2032 to reach US\$314.90 billion.

Rapid technological advancements, the growing thrust to use recycled metals, expansion of construction and infrastructure projects, growing investments in the defence sector, and the increasing demand from the automotive and aerospace industries will emerge as important growth drivers over the coming years.



Domestic environment

The Indian foundry industry is one of the oldest and most prominent in the country, making a sizeable contribution to the nation's GDP and employment. With foundries spread across the country, the industry has come a long way since its inception in the late 1800s, with continuous modernisation and innovation.

The industry is divided into two sectors: ferrous and non-ferrous foundries. The dominant ferrous sector produces iron and steel castings, while the non-ferrous sector produces aluminium, copper, zinc and other alloys.

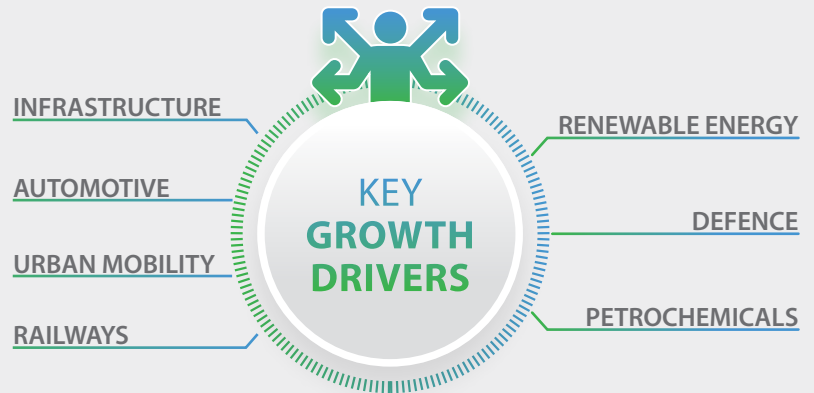
India continues to be the second-largest producer of castings in the world. Favourable policy tailwinds,

rising exports, and technological advancements present interesting growth opportunities for the domestic foundry sector, allowing it to sustain its global pecking order.

The industry players seek to expand their product offerings beyond traditional products to include more complex and value-added products.

The India metal casting market size reached US\$12.47 billion in 2023.

The IMARC Group expects the market to reach US\$21.25 billion by 2032, exhibiting a growth rate (CAGR) of 5.80% from 2024-2032.



INFRASTRUCTURE

With India aiming to reach the US\$5 trillion GDP target sooner, India's economic growth in the coming years will be driven by increased investment in key sectors such as infrastructure development. According to CRISIL, India will spend nearly ₹143 lakh crore on infrastructure in seven fiscals through 2030, more than twice the ~₹67 lakh crore spent in the previous seven, starting fiscal 2017.

AUTOMOTIVE

India's automotive industry is the fourth largest in the world, valued at US\$250 billion. It is projected to grow to US\$600 billion by 2035. In the process, India may become comparable to leading global automotive hubs like Germany, Japan and South Korea.

URBAN MOBILITY

Metro rail initiatives in India represent a transformative force, shaping the future of urban mobility and fostering sustainable development. Currently, 17 Indian cities have operational metro systems, with 28 more projects under construction and another 11 in the planning stages. This rapid expansion aims to provide metro connectivity to over 60 cities by 2035.

RAILWAYS

The Indian Railways, the nation's lifeline, is undergoing a significant transformation due to various government initiatives aimed at modernisation, safety, and service enhancement. Some key initiatives driving this positive change are modernising railway stations, building dedicated freight corridors, high-speed railway projects, mass electrification drives, and signaling and safety upgrades.

RENEWABLE ENERGY

As of November 2023, India's renewable energy generation capacity had surpassed 180 GW. The Government aims to achieve net-zero carbon emissions by 2070 and 500 GW of non-fossil energy by 2030.

The Government started the groundbreaking Pradhan Mantri Suryodaya Yojana (PMSY) to harness solar energy and empower one crore households. Through this scheme, eligible households can receive a maximum of 300 units of free electricity every month by installing rooftop solar panels and using solar energy. Further, reducing dependence on traditional power grids makes households more self-reliant and contributes to a cleaner and greener environment.



DEFENCE

Once heavily reliant on imports for its defence needs, India is transforming into a global player in defence manufacturing and exporting. In 2023, India's defence production crossed the milestone of ₹1 lakh crore for the first time. In the future, India is expected to spend ₹1.5 lakh crore annually till 2030 to modernise its armed forces.

PETROCHEMICALS

The Indian petrochemical industry and its vast distribution system are the sixth largest in the world, with a market size of about US\$190 billion. According to a government assessment, India's need for chemicals and petrochemicals is predicted to nearly triple and reach a promising US\$1 trillion by 2040. Further, given the anticipated growth of the Indian chemical market, the petrochemical industry is expected to attract investments exceeding US\$87 billion over the next ten years.

The above estimates, amongst other developments, promise to brighten the future landscape for the Indian foundry industry.

Our blueprint

The division plans to increase capacity allocation to external customers to de-risk from an over-dependence on internal customers. Doing so would help the division increase its operational excellence quotient by a few notches.

Cost optimisation through environment management initiatives would continue to be a top priority for the division.

The division will also further strengthen the initiatives undertaken under the Total Productivity Management (TPM) programme.

BUSINESS DIVISION
TWO



TEXTILE MACHINERY DIVISION

4,455
MACHINES SOLD
(UNITS)

3,440.96
REVENUE FROM
OPERATIONS
(₹ IN CRORES)



In six decades, the Textile Machinery Division has emerged as one of the leading global names in textile machinery solutions.

The division offers an entire range of spinning solutions in multiple variants to fit the requirements of diverse entrepreneurs and organisations. Its products personify precision engineering, leveraging advanced automation, digitalisation, and intelligent technologies to meet the evolving needs of textile manufacturers in the form of diverse spinning solutions.

To align with the changing times and demanding customer requirements, the division has collaborated with global experts to embrace cutting-edge technology and global processes - this collective thread has strengthened the division's fabric.

Having made its mark in the domestic textile sector, the division has also established an indelible mark in the global textile space with its machines spinning fortunes across the world.

Cognizant that its relations with customers begin after the transaction is complete; the division has created

a vast network of technical experts to service its machines to ensure maximum uptime. Further, the Company has leveraged technology to strengthen its customer connect digitally. The division has also invested in warehouses to maintain a prudent inventory of spares and consumables.

Today, LMW's machines are synonymous with quality and innovation. From bustling industrial hubs to smaller spinning units, their equipment powers the dreams of innumerable entrepreneurs, spinning stories of empowerment and economic vibrancy.

Performance in FY24

The division continued to scale its performance, dispatching more machines than the previous year. However, the dismal global textile scenario cast a shadow on the inflow of orders in the second half of the year.

During the year, the division continued to widen its product range to ensure that it delivers value to its customers and helps them keep their Balance Sheets healthy.

- It successfully developed a new variant of a ring frame spinning machine for spinning finer counts of yarn, which is experiencing healthy demand. The machine's technological superiority significantly reduced its cost of ownership and operations while delivering higher productivity
- The team introduced two carding machine variants, which produced significantly higher volumes than other variants in the market with similar specifications
- The Draw Frames launched in the previous fiscal saw a significant inflow of orders for the equipment

FY24 was a milestone in product delivery. The division completed and delivered multiple projects (including new installation, upgradation and modernisation) across all machine categories.

Strengthening our core

In our quest to become an increasingly customer-centric organisation, the division continued to leverage its engineering excellence to enhance the value it delivered to its customers through



its products and services with the aim of positioning the LMW brand as the preferred choice for spinning equipment by the textile players in India and across the globe.

Improving engineering excellence:

The operations team further intensified their efforts to improve plant operations. The division implemented IoT at both the units across the value chain (supply chain to despatch and installation). In addition to automating key business operations, this technology intervention enabled the management and department heads to visualise business operations at a macro level and drill it down to micro parameters in real time. The team worked patiently on identifying areas for process and product quality improvements and developing solutions to address the same. The team also made important feature improvements in its existing product range to improve the value quotient for its customers. The division made an important addition to its offering, demonstrating its engineering excellence - it launched modules for all machines (across the spinning process), which allow them to use recycled fiber. This is critical to make the existing fleet of machines (on the shopfloors of customers) relevant to altering market dynamics.

Change in R&D culture: The R&D function became more agile to customer needs. For this, the division encouraged its R&D experts to interact with customers to understand customer needs and translate them into product development. The team also connected with suppliers and institutions and collaborated with global agencies to receive critical market inputs on evolving trends and market dynamics. The division brought in a new culture of involving all key stakeholders in the new product development process with clearly defined roles.

It helped in better use of resources and collapsed development time. The division focused on developing the competence of the R&D team through aggressive training on diverse aspects with a special emphasis on emerging technologies. Additionally, the division created a dedicated team for industrial design. The design team will focus on machine aesthetics and ergonomics - making the smart machine look even smarter.

Making service the defining edge: Understanding the reality that each transaction is a multi-year relation, the division continued to strengthen its service commitment to better service customers and improve their machines' useful life. It undertook multiple initiatives:

- The division commissioned a large warehouse at Indore along with a service centre (for mechanical and electronic parts). The central location of this warehouse helped to service customers faster
- The services team made a special effort to explain the fundamental and technical features of mechatronics (which is emerging as the heart of every smart machine). This knowledge-sharing initiative allowed customers to understand how machines work and the possible issues that may arise
- The services team introduced Maintenance Kits comprising all the spare parts required for immediate machine maintenance. It helped in improving machine uptime and productivity. In addition, the team further upgraded its Performance Enhancement Kits designed to enhance machine performance and product quality of the older machines
- The team strengthened its efforts to ensure improved connectivity with customers that

would offer customers access to comprehensive details regarding the machine and access to reach LMW executives directly for faster issue resolution

- The division also strengthened its efforts towards service improvement in line with its Customer First focus

The business space

Textile machinery encompasses a wide array of industrial equipment designed for producing and processing textiles. From spinning and weaving to dyeing and finishing, these machines form the backbone of textile manufacturing. Their efficiency, precision, and adaptability drive the entire value chain. The textile machinery industry is pivotal in shaping the global and domestic textile landscape.

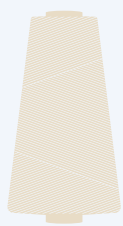
Notable trends within the Textile Machinery market include **1)** the growing preference for sustainable and eco-friendly products, **2)** the increasing integration of technology to enhance product quality and efficiency and **3)** the steady emergence of the circular economy.

Global landscape

The textile machinery market operates on a global canvas. Expansion in the textile sector and rapid adoption of advanced technologies like AI and IoT promise exciting growth.



FY24 was a milestone in product delivery. The division completed and delivered multiple projects (including new installation, upgradation and modernisation) across all machine categories.



A report by CII, titled “Decadal Outlook for Textile Industry: Threads of Transformation for Textile Industry,” projects that the industry’s share of India’s GDP will increase from 2.3% to about 5% by 2030, with a steady annual growth rate of 9% in Gross Value Addition (GVA) from 2021 to 2028.

Automated textile machines play a vital role in transforming the textile sector owing to their ability to manufacture diverse high-end fabrics. Despite geopolitical tensions, supply chain disruptions and rising costs, the global textile machinery market exhibited moderate growth in 2022 and 2023. It was driven by factors like demand for technical textiles, technological advancements, and sustainability initiatives.

The existing linear economic model, which involves producing, utilising, and disposing of textile goods, is proving unsustainable. Therefore, a circular economy model that involves repair, reuse and recycling of such products at the end of their life-cycle is gaining popularity, thus extending their lifespan.

However, the systems and infrastructure to make it work have not yet been fully developed. Despite that, the potential solutions emerging from the initiatives are immense. These include developing renewable sources of raw materials, reevaluating production methods, maximising the utilisation and reuse of textile goods, implementing reproduction and recycling strategies, redistributing textiles to new and parallel markets, and devising ways to extend the lifespan of textiles.

The industry’s prospects remain cautiously optimistic, with continuous adaptation to the global dynamics becoming crucial for sustained growth.

The Global Textile Machinery Market size is estimated at US\$31.67 billion in 2024 and is expected to reach US\$40.18 billion by 2029, growing at a CAGR of 4.87% during the forecast period (2024-2029).

Domestic environment

The Indian textile industry is likely to witness moderate growth in FY24 due to a decline in exports, accounting for about 1/4th of the total revenue. However, the domestic textile market continued to grow at a steady pace in FY24 as a result of robust domestic demand (supported by sustained economic growth and cotton price normalisation).

The domestic industry also benefitted from growing exports due to improved demand for Indian fabrics and apparel from the US and European markets - key export destinations for India. Consequently, the textile machinery segment also witnessed a year of growth and development.

While the future of the textile machinery sector could face some hurdles owing to continuing geopolitical issues, the medium term appears to present a favourable landscape.

Opportunities

Despite global headwinds and rising inflation, the prospects of the domestic textile industry will be driven by several factors that should cascade down to superior business opportunities for the textile machinery sector.

Flourishing Domestic Market:

E-commerce surge, growing organised retail, rising disposable incomes, and working youth have increased apparel demand across the Indian landmass.

Technical Textile Boom: Segments like agro textiles, medical textiles, and geotextiles are experiencing significant growth. Powered by strong government support, India looks forward to an unparalleled expansion in the technical textiles industry. The segment is expected to more than double in size from the current US\$22 billion to an estimated US\$50 billion in the next five years.

Export Potential: India is a significant exporter of textiles and apparel worldwide. Further, Free Trade Agreements (FTAs) with different countries present vast opportunities for domestic manufacturers.

Government policies: The Governments at the Central and State levels, respectively, have put in place favourable policies that aid the overall development of the textile industry in India.

Government Support

The Indian Government, recognising the crucial role textiles play in the nation's economy and employment, has implemented various initiatives to support the industry's growth and transformation - some key measures include:

- The PLI scheme for the textile sector was broadened in 2023 to encompass categories such as technical textiles and garments made of man-made fibres (MMF)
- The Government's Pradhan Mantri Mega Integrated Textile Regions and Apparel (PM-MITRA) initiative seeks to develop world-class infrastructure. It has identified the sites and earmarked financial assistance for creating textile manufacturing units

Cotton

Cotton serves as the key material of the Indian textile industry due to its multifaceted significance. As a primary raw material, cotton accounts for a substantial portion of India's textile production, influencing the sector's overall output and economic viability.

The country's abundant cotton cultivation and favourable climatic conditions ensure a steady domestic supply, fostering self-sufficiency and reducing import dependency.

Additionally, cotton's versatility allows for diverse applications across the textile value chain, from yarn spinning to fabric weaving. This ensures its crucial role in driving innovation and meeting domestic and global demand for high-quality textiles.

India is the world's largest cotton producer, accounting for almost ~25% of the total cotton production.

However, due to erratic rainfall because of the El-Nino effect, India's cotton production for the 2023-24 cotton season (October-September) will be 29.50 million bales, which is the lowest in 15 years. Lower cotton output led to considerable volatility in cotton prices and impacted the prospects of the domestic textile industry.



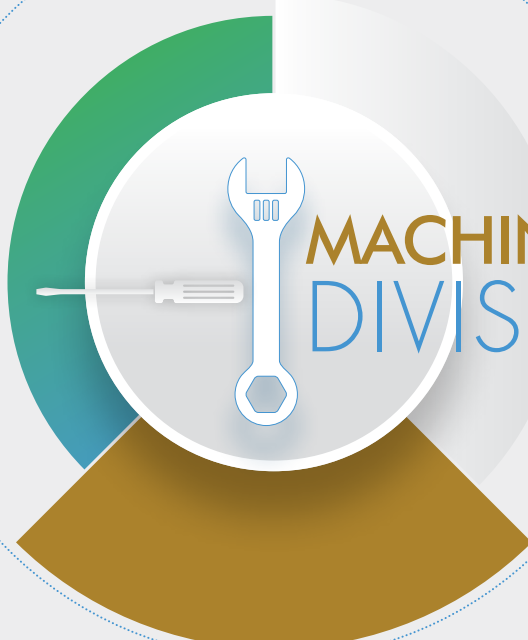
Our blueprint

FY25 promises to be an exciting year for the division as the team will launch newer machinery that could emerge as a key business driver for the division over the coming years.

In addition, the division's blueprint includes:

- Launch of SpinConnect 2.0, which promises to improve the connectivity between the division and its customers
- Launch new warehouse cum service centre(s) that will bring the division closer to the textile hubs across India

BUSINESS DIVISION
THREE



MACHINE TOOL DIVISION

3,684
MACHINES SOLD
IN FY24

831.89
REVENUE IN FY24
(₹ IN CRORES)





LMW's Machine Tool Division (MTD) is a success story platformed on two pillars- cutting-edge technology and high-precision engineering.

The potent combination has positioned the division as a reliable machine tool brand among discerning engineering companies.

A leading name in the CNC machine tools space, the division has state-of-the-art facilities, where it assembles a wide range of Turning Centres, Machining Centres and Turnmill Centres, which adorn shop-floors across an array of standard and critical applications.

The division also provides spares to facilitate the seamless operation of machines throughout their life-cycle. In addition to installation, the Company's technical team trains its customers to use machines efficiently and effectively.

Performance in FY24

After two years of exponential growth, the Machine Tool Division reported moderate growth on a higher base. The growth was owing to intensified

marketing activities - on the ground and through digital initiatives - and increased participation in exhibitions and seminars. New products launched in the market received healthy traction among customers. Our marketing efforts ensured that we added many new customers from diverse sectors.

Strengthening our core

Capabilities: We focused on modernising our machining capability. We installed machinery to machine large and complex parts in a single setup. This has helped us improve component quality and reduce lead times. To get the best out of these machines, we have invested in the most sophisticated systems and trained our people to use them effectively. We integrated these systems

with our new equipment to ensure that the product design and output is first-time right. As a next step, we will further consolidate and modernise more equipment on our machining floor to make it completely system-driven for seamless and continuous operation. We will then apply this philosophy to other areas of shopfloor operations. We will also create dedicated lines for our fast-moving and regular products to ensure faster throughput and delivery schedules.

Product design: We have intensified our focus on standardising components/toolings, etc. This will considerably optimise our product development and manufacturing and enhance our speed of delivery.



On the electronics and mechatronics side, we are bringing in considerable digital technology to add new features, making the machines much more user-friendly.

We have initiated the implementation of PLM (product life cycle management), a software platform for product development where each stage will be closely monitored and documented.

This will make our product development process more disciplined and enhance our component standardisation efforts.

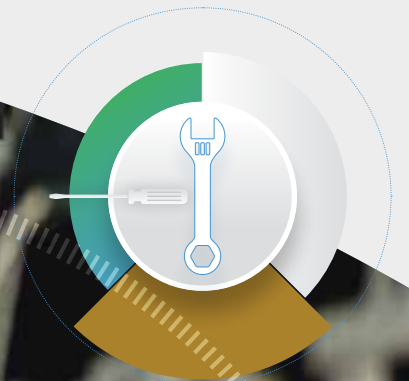
Range: We continue to widen our product range, emphasising the value-added Machining Centers. We launched five products in FY24. Currently, we are working on a strong pipeline of machines (new machines and new variants), most of which should be added to our offering basket in FY25.

Reach: With a large fleet of machines on industrial shop floors across India, we are increasingly strengthening our spares and servicing capability to sharpen our customer response time. With that objective, we have opened offices in Hyderabad, Faridabad, Ludhiana and Ahmedabad during the year under review.

The business space

A machine tool is essential in manufacturing and machining operations, where precision and accuracy are critical. Machine tools are typically powered by various means, including electricity, hydraulics or pneumatics, and they are controlled manually, mechanically or through computer numerical control (CNC) systems. Some common types of machine tools include lathes, milling machines, drilling machines,

grinding machines, boring machines, shaping machines, etc. Machine tools are essential in the automotive, aerospace, construction, electronics and other industries where precision-engineered components are required. They play a crucial role in the manufacturing process by enabling the production of high-quality parts and products with tight tolerances and specifications.



Global landscape

The global market for machine tools is vast and dynamic, generally impacted by factors such as industrialisation, technological advancements, manufacturing activities and global economic growth.

These days, the machine tool market is growing because of the increasing demand for automation technology in the industrial sector. This market capitalises on the growing need for enhanced productivity, high-quality output, and shorter cycle times.

The machine tools market experiences additional momentum due to the increasing demand for mass production across various industries, such as aerospace and

defence. Moreover, the market is poised for growth due to the escalating need for metal-cutting tools driven by the widespread use of metals in various sectors.

The global Machine Tools market size was valued at USD 75.80 billion in 2024 and is expected to expand at a CAGR of 2.97% during the forecast period, reaching USD 90.34 billion by 2027.

Domestic environment

India's economy is resilient amid a global slowdown buoyed by solid domestic demand.

The manufacturing sector experienced sustained growth and investments in the 2023-24 financial year. These include sectors like auto & auto components, capital goods & construction

equipment, metal & metal products, textiles and many more.

The Indian machine tools market reached US\$1.50 billion in 2023. Experts suggest the market will reach US\$3.20 billion by 2032, exhibiting a growth rate (CAGR) of 8.2% from 2024 to 2032.

India is currently witnessing increasing adoption of industrial automation, a growing desire for CNC machine tools, and government policies that favour increased industrialisation across the country. All of these factors are expected to augur well for the Machine Tool industry in India.

AUTO & AUTO COMPONENTS

With an expanding economy, India's auto market grew by 8.3% in 2023, registering sales of 4.2 million units. Rising disposable incomes, a qualitative improvement in road infrastructure and attractive financing options contributed to this growth.

Just like in 2023, experts are predicting an upward growth trajectory for the Indian automobile

industry in 2024 as well. January 2024 has witnessed a healthy start, with automobile sales growing by 23.2% yearly, fuelled by demand in the passenger vehicle segment. With vehicle sales on a steady uptrend, the auto components industry saw turnover grow to 12.6% in the first half of 2023-24 (April-September 2023), compared with the

corresponding period of FY23. In the future, car manufacturers anticipate that the market's demand momentum will be robust due to expectations that the economy will continue to grow. However, the drying up of pent-up demand and high interest rates drive up the cost of auto loans, which can affect sales.

INDUSTRIAL AUTOMATION

Industrial automation uses control systems, such as computers, robotics and information technology, to manage various machinery and processes. In the industry context, it is a vital scale-up from mechanisation.

India's industrial automation market size is estimated to be US\$15.12 billion in 2024 and is expected to grow to US\$29.43 billion by 2029, at a CAGR of 14.26% from 2024 to 2029.



AEROSPACE

The rapid growth of airlines and passenger traffic in India over the past five years has been due to a growing middle class, increasing disposable incomes and an increasing number of new airports enhancing regional connectivity across the country. According to government sources, India's domestic air passenger traffic alone is expected to touch 300

million by 2030 from 153 million in 2023. With international traffic, the number will be much higher. This makes a strong case for global OEMs and their suppliers to examine India as a destination that plays a vital role in the global supply chain for aerospace components and parts. Further, increased private sector involvement and a growing

ecosystem of space-tech startups are propelling India's aerospace sector at present. The industry has shown significant growth over the last few years. With continuing government support and a rising focus on self-reliance, this sector will likely witness a stellar run soon.



DEFENCE

To promote indigenisation in the defence sector, the Indian Government has been progressively increasing the share of the defence budget for procurement from the domestic industry.

The Government intends to achieve a domestic procurement share of 70% in the sector by 2025.

For the financial year 2023-24, the Government has earmarked funds

under the Modernisation Budget (Capital Acquisition) in a 75:25 ratio. So, 75% of the funds, or ₹99,223.03 Crores, will be for procurement through domestic sources.



ELECTRICALS & ELECTRONICS

According to government data, electronics manufacturing in the country has increased four times in the last ten years. India's electronics manufacturing industry is expected to increase by 15% in 2024 and reach a valuation of US\$115 billion. Mobile phone production, a significant contributor

to the industry, is projected to surpass US\$50 billion by March 2024, from roughly US\$42 billion in the previous fiscal year. Now, industry participants focus on improving local value addition concerning product development and components.

Further, with a focus on deep manufacturing and increased localisation, India's prominence as a significant component manufacturer and exporter is rising.

Our blueprint

We see considerable growth opportunities in our business space supported by the Government's drive to make in India for the globe. New sectors have opened with promising prospects, namely the mobile phone and computer component spaces. Moreover, traditional sectors such as the Railways and Defence also throw up growth opportunities. Further, the export window has widened considerably in recent times.

We will aggressively pursue these opportunities to grow our business multi fold over the coming years.

We are widening our product portfolio to cater to diverse user needs with larger and faster machines customised for specific sector applications. In addition, we will develop machines capable of machining much larger component loads to cater to international markets.

We will continue with our digitisation drive at both units, which should attain maturity in the current year. This will help standardise and streamline processes, increase operational efficiency and deliver products that provide an unbeatable value proposition for customers.

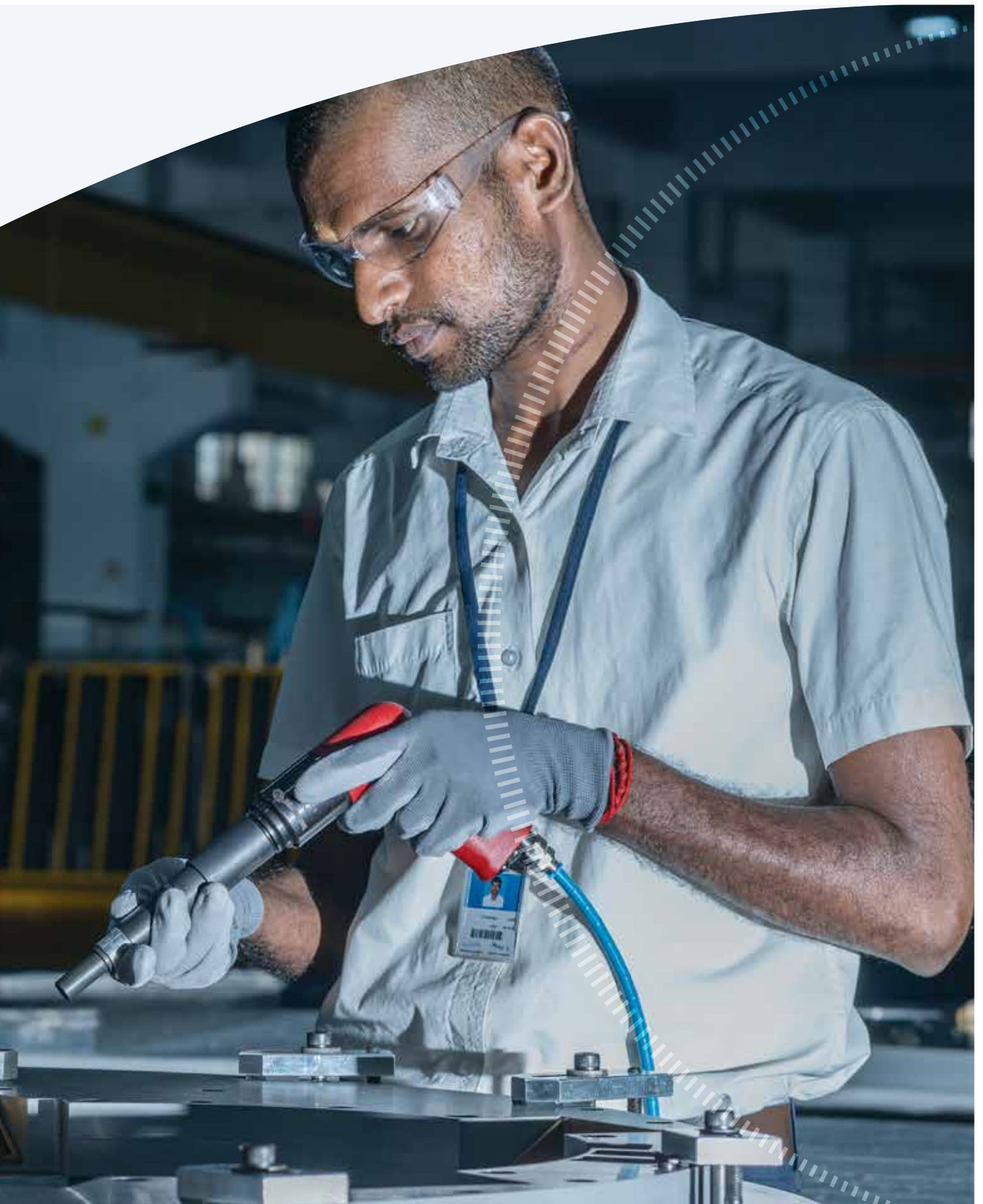
BUSINESS DIVISION
FOUR



ADVANCED
TECHNOLOGY
CENTRE

160.19

REVENUE IN FY24
(₹ IN CRORES)





The Advanced Technology Centre (ATC) develops and delivers high-precision components and modules to the global aerospace sector.

As the name suggests, the division's manufacturing operations are highly complex and technology-intensive. Its facilities house highly sophisticated equipment, while the business processes align with the AS 9100D certification and NADCAP certification for special processes such as chemical processing, non-destructive testing, welding, heat treatment, and composites.

The division has emerged as a facility capable of delivering complex components and sub-assemblies made from multiple metals and composites for major aerospace OEMs and Tier 1 companies across the globe. The division has also delivered numerous projects to marquee government companies in India. Business operations are segregated into two groups: **1)** Metallic components and **2)** Composite components to ensure that each group sustains operational efficiency.

Performance in FY24

The division registered a satisfactory performance and a turnaround. This was a commendable achievement by the team, which is now excited to extend its success into the coming years.

Metallics: The group registered a better-than-expected performance owing to insightful planning and firm control over raw material management, which allowed them to capitalise on important business opportunities. The team ensured the timely delivery of components, helping the division deliver on time.

Composites: The team has made considerable progress in component development. It has become a trusted supplier to India's premier space agency, delivering components for almost every launch. Exports performed well, with customers increasing their volumes with the Company. This ensured that the team met business targets with ease.

ATC has recently successfully built and delivered a five metre diameter Ogive Payload Fairing to ISRO for GSLV MK-III. It carries satellites to the orbit. It is made of carbon composites and is 10.75 metres tall.

Strengthening our core

The team meticulously analysed and consolidated its customer base to ensure it focused on customers who would enrich the divisional capabilities and strengthen its growth momentum. The team continues its uncompromising efforts to train its people to enrich their technical skills and deliver on client commitments.

The business space

The aerospace industry's components cover the production of parts crucial for airborne and space-faring vehicles. These components are meticulously crafted to meet highly stringent tolerances for their specific missions. This sector comprises companies researching, developing, producing, operating, and servicing air-borne/aerospace equipment and related systems. The aerospace industry manufactures high-precision products, so it always remains at the forefront of technological advancement and is strategically important.

Global landscape

In 2023, the aerospace and defence (A&D) industry witnessed a revival in product demand, which is expected to continue into 2024.

In most countries, domestic commercial aviation revenue passenger kilometres surpassed pre-pandemic levels. This surge

in air travel led to an increased demand for new aircraft and aftermarket products and services.

Due to the prevailing geopolitical instability, product demand in the defence segment will continue increasing.

Furthermore, companies in emerging markets are expected to enhance advanced testing and certification as they prepare for commercialisation.

The global aerospace and defence market is expected to grow from US\$884 billion in 2023 to US\$985.56 billion in 2024, at a CAGR of 11.5%, and thrive between 2024 and 2031.

Domestic environment

Civil aviation: Regarding domestic traffic, India is the third-largest global aviation market. Also, based on orders placed, India is the second-largest buyer of aircraft globally. This development is primarily driven by the country's healthy economic growth and favourable government schemes like the UDAN Regional Connectivity Scheme, making it the focal point of demand for new aircraft.

India's annual passenger traffic is anticipated to remain 200 basis points higher than the long-term global average, which makes experts believe that India's aircraft orders will maintain these healthy levels even in the future.

With the rising number of aircrafts in the country, India is fast becoming an MRO (Maintenance, Repair and Overhaul) hub and is creating an ecosystem that can offer comprehensive airline maintenance solutions, from engines to smaller parts.

Military aviation: The aerospace business in India is also witnessing healthy growth due to increased activity in the military aviation sector. The defence aerospace industry is growing with India's steadily increasing capital expenditure spending.

It provides room for new players to enter the market and for current players to grow.

The Indian government's focus on domestically producing defence equipment has also created a promising environment for domestic companies. The ongoing modernisation of the Indian military is also increasing the demand for defence products and services, which could provide growth opportunities for defence companies in India.

In 2023-24, 75% of the defence capital procurement budget was allocated to the domestic industry. The Ministry of Defence has also set a target of achieving a turnover of US\$26 billion in aerospace and defence manufacturing by 2025, which includes US\$5 billion in exports.

Our blueprint

The team is focused on elevating its performance a few notches higher and making a sizeable contribution to the Company's growth.

The **metallics business** is the mainstay of the business vertical and aims to grow the ATC vertical over the coming years. With this objective, the team will focus on the complex component space that challenges their engineering skills. This strategy would help them forge lasting customer relations and enhance overall business profitability.

The team will also work on elevating its profile as a supplier to aerospace OEMs. This long-term strategy will require considerable investment in time and resources.

The **composite business** largely depends on the domestic defence and aerospace sectors, where product approvals take time. To accelerate business volumes, the team will focus on achieving a prudent balance between its user sectors, which would help it, operate its manufacturing capacities at optimal levels and improve business profitability.



Human resource

LMW understands that its ability to emerge as a customer-centric organisation hinges completely on the dedication and commitment of its human resources to uphold the Company's values.

In keeping with this reality, the Company continues to make a conscious effort to enhance the skills of its people through its comprehensive Learning and Development calendar and challenging projects that push its people to think and act beyond their preconceived mental boundaries.

To enhance the team's cohesiveness, the Company encourages its team members to participate in various thought-provoking engagement initiatives.

To sustain the growth momentum of the expanding business operations, the HR team continues to work on enhancing the leadership pipeline within the Company. Also, the HR team worked on further digitising the HR function to build speed, efficiency and transparency in the HR processes.

The Company maintained very cordial relations with its employees. As a result, the Company did not lose a single day of business operations owing to staff-related issues. The Company had 3,590 permanent employees as on 31st March 2024.

Risk management

The Company has implemented a thorough and well-rounded risk assessment, mitigation, and management procedure. The Board is periodically presented with the Company's risk mitigation strategies for evaluation and enhancement.

Internal control system & adequacy

The Company's internal control mechanism is well documented. This is embodied in the ERP Suite. It is a

common practice in the Company to lay down well-thought-out business plans for each year.

From the annual business plan, detailed budgets for revenue and the capex for each quarter are 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 system commensurate to the size and volume of the business. The internal audit programme covers all the functions and activities of the Company. A statutory compliance audit team is constituted to check compliance in all areas and reports to the management. This facilitates corrective measures to be taken efficiently and wherever required.

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

Movement in Key Ratios

Ratio	2023-24	2022-23	Change %	Remarks
Current Ratio	2.09	1.59	31.83%	Impact on account of change in deposit tenor and working capital management
Debt-Equity Ratio	Not Applicable			
Debt Service Coverage Ratio	Not Applicable			
Return On Equity Ratio	14.97%	16.35%	-8.42%	
Inventory Turnover Ratio	7.52	7.81	-3.70%	
Trade Receivables Turnover Ratio	18.51	14.15	30.83%	Improved Collection
Trade Payables Turnover Ratio	4.61	4.86	-5.29%	
Net Capital Turnover Ratio	3.93	5.48	-28.32%	Impact on account of change in deposit tenor and better working capital management
Operating Ratio	8.90%	9.16%	-2.92%	
Net Profit Ratio	8.22%	7.86%	4.56%	
Return On Capital Employed	17.71%	20.67%	-14.32%	
Return On Investment	8.47%	5.64%	50.12%	Reducing Debt Yield has positive MTM impact for FY 2024

Financial performance

(₹ Crores)

Particulars	2023-24	2022-23
Gross profit before interest depreciation and tax	571.62	558.84
Interest	-	-
Depreciation	91.74	73.43
Provision for Tax	108.50	135.20
Profit after Tax	371.38	350.21
Earnings per share (Amount in ₹)	347.64	327.82

CAUTIONARY STATEMENT

THIS DOCUMENT CONTAINS FORWARD-LOOKING STATEMENTS ABOUT EXPECTED EVENTS AND FINANCIAL AND OPERATIONAL RESULTS OF THE COMPANY. BY THEIR NATURE, FORWARD-LOOKING STATEMENTS REQUIRE THE COMPANY TO MAKE ASSUMPTIONS AND ARE SUBJECT TO INHERENT RISKS AND UNCERTAINTIES. THERE IS A SIGNIFICANT CHANCE THAT THE ASSUMPTIONS, PREDICTIONS AND OTHER FORWARD-LOOKING STATEMENTS MAY NOT PROVE TO BE ACCURATE. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON FORWARD-LOOKING STATEMENTS AS A NUMBER OF FACTORS COULD CAUSE ASSUMPTIONS AND ACTUAL RESULTS AND EVENTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED HERE.



SOCIAL INITIATIVES

At LMW, we are fully aware of the importance of collaborating with our local community and supporting initiatives that enhance the well-being of our fellow citizens.

We are determined to make a positive impact by partnering with organisations and projects that prioritise health and safety, village livelihood development, and providing rural infrastructure. Through our diligent efforts, we aim to interact with the community, comprehend their concerns, and work collectively to create constructive change. We take pride in being part of a helpful and compassionate community and will persistently work alongside them to enhance the lives of people around us.







I) HEALTH & SAFETY

Spinal injury surgery & rehabilitation:

LMW collaborates with leading hospitals and rehabilitation centers to help patients from lower economic backgrounds undergo treatment for burn injury and reconstructive/ spinal injury surgery. LMW has supported treating thirty-three patients during the year 2023-24.

Sickle Cell Anaemia Screening & Prevention Project:

LMW, in partnership with the Nilgiris Adivasi Welfare Association (NAWA), organises the Sickle Cell Anaemia Screening and Prevention Project in the tribal locations of Anaikatti, Palamalai and Karamadai areas of the Coimbatore District. The identified patients are provided with the required nutritional supplements and medicines. Also, appropriate counseling & awareness camps were conducted for persons diagnosed with Sickle Cell traits.

Through this project, LMW has supported forty-five Sickle Cell Anaemic patients and two hundred & four persons with Sickle Cell traits during 2023-24.

Type-1 Diabetes Intervention

Project for Children: LMW supports initiatives supporting children from economically weaker sections of society diagnosed with Type-1 Diabetes. Children with these conditions may require insulin injections twice a day or more, depending on their blood glucose levels. A glucometer, insulin cartridges and consumables for one year are provided to the children through this project. The Company supported sixty children through this project during 2023-24.

Road Safety Campaign & Awareness Program:

LMW collaborates with UYIR Trust, Coimbatore, to promote road safety awareness campaigns to prevent road traffic accidents in Coimbatore.

Eye Checkup Program for Children:

LMW collaborates with a leading eye hospital to screen and support eye-related treatments for children studying in government schools in Coimbatore and Tirupur districts.

The children are screened for myopia and other pediatric eye conditions that may affect them. Normal spectacles and special myopia spectacles are provided to the children as required. Children with other eye conditions are referred and treated in the hospital. Through this program, 26,205 children from forty-four government schools were screened for various eye conditions. Normal spectacles were provided to 1,094 children, and special myopia spectacles were provided to eighty-three children.

Community Health Checkup Camps:

LMW collaborates with the health department to conduct village-level health checkup camps in Anaikatti and Palamalai villages. Sixteen such camps were conducted through which nine hundred eighty-five individuals were treated for various health conditions. Fourteen individuals were referred to Primary Health Centers and Government Hospitals for further treatment.

Flood Relief Support: LMW has supported the flood relief activities in Chennai, Tirunelveli and Thoothukudi districts of Tamil Nadu by distributing food supplies and consumables to the people in the flood-affected areas.





II) VILLAGE LIVELIHOOD DEVELOPMENT

Livelihood enhancement program:

Sixteen income generation training programs for tribals were conducted in Perumpathi, Pasumani, Pasumani Pudur, Manguzhi, Periya Jambukandi, Kodyur, Sethumadai, Kudalur, Padhuvampalli, Kaduvettipalayam, Mopperipalayam, Neelampathi, Perukaipathi, Kundoor, Anaikatti, Kethaikadu, Gopanari, Melbavi, Rayaruthpathi, Rangarajapuram, and Ezhuthukal Pudur villages located in the Coimbatore District. Four mushroom cultivation sheds, eight vermicompost production bags,

three pulveriser machines and a heavy-duty sewing machine were provided to the people trained by LMW.

The Company has actively assisted the villagers in obtaining financial subsidies from the Mahalir Thittam & Tamil Nadu Rural Transformation Projects of the Tamil Nadu government through the Self-Help-Group (SHG) model. Through this assistance, three SHGs received mushroom cultivation sheds and eight SHGs received total support of ₹61 Lakhs as loans/grants benefiting ninety six individuals.

Veterinary check-up camps:

Animal husbandry is one of the major livelihood activities of people residing in the tribal villages of Palamalai & Anaikatti in the Coimbatore District.

Around one hundred and forty one veterinary health check-ups and vaccination camps were conducted with the Tamil Nadu Animal Husbandry Department.





III) RURAL INFRASTRUCTURE DEVELOPMENT

Solar lights: During the year under review, fifty solar streetlights were installed to improve basic facilities in the tribal villages of Anaikatti Hills. In addition, the Company has also provided solar lighting systems for homes.

School of Infrastructure Development: LMW has supported the development of infrastructure facilities in rural government schools.

School building repair, painting, laying floor tiles in classrooms and veranda, restroom renovation, and provision of computers and equipment for smart classrooms are done through this project. During the year under review, the following schools were covered through this initiative:

- Government Elementary School, Paralai House
- Panchayat Union Primary School, Vagarayampalayam
- Panchayat Union Primary School, Melbaviur
- Panchayat Union Middle School, Dhoomanur

- Panchayat Union Middle School, Sundakaraipudhur
- Anganwadi, Vagarayampalayam
- Anganwadi, Dhoomanur
- Anganwadi, Periyamopperipalayam





IV) ENVIRONMENT

The Company is aware of its role in protecting the environment. It works towards minimising its environmental impact by using sustainable practices and technologies.

Tree Plantation: During the review period, with support from the Mopperipalayam Town Panchayat and Kittampalayam Panchayat, LMW has planted 3,125 native tree variety saplings in the villages of Papampatti and Kittampalayam.

Solid Waste Management: LMW has supported the Kaniyur Panchayat in implementing Solid Waste Management projects to develop a cleaner environment and prevent

waste dumping. Under this project, wastes generated in households and commercial establishments were segregated as recyclable, biodegradable & medical wastes. The wastes were then collected at source and processed systematically.

199.25 tons of organic waste, 73.23 tons of non-biodegradable waste and 25.16 tons of sanitary & medical waste were treated.

LMW has supported Mopperipalayam Town Panchayat in setting up a solid waste management system. LMW has provided individual dustbins, an organic waste shredder, an inorganic waste shredder and an incinerator machine to the Panchayat for the solid waste management project.



Corporate Information

Board of Directors

Sri Sanjay Jayavarthanavelu

Chairman and Managing Director (DIN: 00004505)

Sri S Pathy

Director (DIN: 00013899)

Sri Aditya Himatsingka

Director (DIN: 00138970)

Dr Mukund Govind Rajan

Director (DIN: 00141258)

Justice (Smt) Chitra Venkataraman (Retd.)

Director (DIN: 07044099)

Sri Arun Alagappan

Director (DIN: 00291361)

Sri Aroon Raman

Director (DIN: 00201205)

Sri Jaidev Jayavarthanavelu

Wholetime Director (DIN: 07654117)

with effect from 7th August 2023

Sri M Sankar

Director Operations (DIN: 10362673)

with effect from 25th October 2023

Sri K Soundhar Rajhan

Director Operations (DIN: 07594186)

until 31st July 2023

Sri T C Suseel Kumar

Nominee Director of LIC (DIN: 06453310)

until 26th January 2024

Chief Financial Officer

Sri V Senthil

Registrar and Share Transfer Agent

Link Intime India Private Limited

Surya, 35, Mayflower Avenue, behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028, Tamil Nadu, India.

Tel: +91 422 4958995, 2539835-36; E-mail: coimbatore@linkintime.co.in

Company Secretary

Sri C R Shivkumaran

Registered Office

SRK Vidyalaya Post

Perianaickenpalayam

Coimbatore - 641020, Tamil Nadu, India

Tel: +91 422 7192255

Fax: +91 422 2692541-42

E-mail: secretarial@lmw.co.in

Website: www.lmwglobal.com

Corporate Office

34-A, Kamaraj Road

Coimbatore - 641018, Tamil Nadu, India

Tel: +91 422 7198100

Fax: +91 422 2220912

Statutory Auditors

M/s S Krishnamoorthy & Co

Chartered Accountants, Coimbatore

Cost Auditor

Sri A N Raman

Cost Auditor, Chennai

Secretarial Auditor

M/s MDS & Associates LLP

Company Secretaries

Coimbatore

Bankers

Indian Bank

Citibank N.A.

HDFC Bank

HSBC Bank

Lakshmi Machine Works Limited

CIN: L29269TZ1962PLC000463

Registered Office: SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore – 641020, Tamil Nadu, India

Corporate Office: 34-A, Kamaraj Road, Coimbatore – 641018, Tamil Nadu, India

Phone: +91 422 7192255, Fax: +91 422 2692541

Email: secretarial@lmw.co.in Website: www.lmwglobal.com

Notice to Shareholders

NOTICE is hereby given that the 61st Annual General Meeting (“AGM”) of the Shareholders of Lakshmi Machine Works Limited will be held at 03.30 PM India Standard Time (“IST”) on Wednesday, the 31st day of July 2024, through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) with virtual presence of the Shareholders to transact the following business(es):

ORDINARY BUSINESS:

1. To receive, consider and adopt standalone and consolidated Annual Financial Statements including Statement of Profit and Loss (including Other Comprehensive Income), along with the Statement of Cash Flow and the Statement of Changes in Equity for the financial year ended 31st March 2024, the Balance Sheet as at that date, the Report of the Board of Directors and the Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Sri S Pathy (DIN: 00013899), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and approve the payment of commission to Non-Executive Directors of the Company and in this regard, if thought fit, to give assent/dissent to the following Resolution to be passed as a **Special Resolution**:

RESOLVED THAT pursuant to Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification or re-enactment thereof, for the time being in force), and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors at their respective Meetings held on 27th May 2024, the consent of the Members be and is

hereby accorded for payment of commission of a sum not exceeding 1% of the Net Profits of the Company computed in the manner as specified under Section 198 of the Companies Act, 2013 subject to a maximum limit of ₹1,00,00,000/- (Rupees One Crore Only) per annum, to be paid and distributed amongst the Non-Executive Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors (including any Committees thereof) of the Company, for a term of three (3) financial years commencing from 1st April 2024.

RESOLVED FURTHER THAT the commission payable to the Non-Executive Directors of the Company as mentioned above shall be in addition to the sitting fees payable for attending the Meetings of the Board of Directors, Committees thereof and meeting of Independent Directors.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the three financial years commencing from 1st April 2024, the Non-Executive Directors shall be entitled for payment of minimum commission of a sum not exceeding ₹1,00,00,000/- (Rupees One Crore Only) per annum to be paid and distributed amongst the Non-Executive Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors (including any Committees thereof) of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committees thereof) be and are hereby authorised to alter and vary the aforesaid remuneration, as it may deem fit, subject to the same not exceeding the limits as approved by the Members.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary and/or give such directions as may

be necessary, proper or expedient, to give effect to the above Resolution without being required to seek any further consent or approval of the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

5. To consider and approve the remuneration payable to Sri Sanjay Jayavarthanelu (DIN: 00004505), Chairman and Managing Director of the Company for the remaining two years in his present term and in this regard, if thought fit, to give assent/dissent to the following Resolution to be passed as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (the 'Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification or re-enactment thereof, for the time being in force), and pursuant to the provisions of the Articles of Association of the Company, the consent of the Members, be and is hereby accorded for the payment of remuneration to Sri Sanjay Jayavarthanelu (DIN: 00004505), Chairman and Managing Director of the Company for a period of 2 years from 1st April 2025 till the remaining period of his present term (i.e., up to 31st March 2027) on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors at their respective meetings held on 27th May 2024, notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to other executive directors may exceed the limits as set out under the Listing Regulations or the Act for the time being in force.

Details of Remuneration:

- A. Salary: ₹12,96,000/- per month
- B. Commission: At the rate of 4% on the Net Profits of the Company, payable annually.
- C. Perquisites: In addition to the salary & commission, the Managing Director shall also be entitled to the following interchangeable perquisites:

Furnished accommodation, where accommodation is not provided 50% of the salary as House Rent Allowance (HRA), gas, electricity, water, furnishings, medical reimbursement, Leave Travel

Allowance (LTA) for self and family, club fees, medical insurance, etc. in accordance with the rules of the Company. The above perquisites are restricted to an amount equal to the salary drawn per annum. For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income Tax rules wherever applicable.

- D. Company's contribution to Provident Fund as per rules of the Company, to the extent it is not taxable under the Income Tax Act, 1961 shall not be included in the computation of the ceiling on remuneration or perquisites.
- E. Gratuity payable shall not exceed half a month's salary for each completed year of service. The Chairman and Managing Director is entitled to encashment of leave at the end of tenure which shall not be included in the computation of the ceiling on remuneration or perquisites.
- F. Provision of Company car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to the Chairman and Managing Director.
- G. During his tenure as Chairman and Managing Director, he shall not be liable to retire by rotation.
- H. In the event of loss or inadequacy of profits in any financial year, in compliance with Schedule V of the Companies Act, 2013, compensation / perquisites as mentioned above from point (A) to (F) shall be paid as minimum remuneration.
- I. The Chairman and Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT the Board of Directors (including Committees thereof) be and are hereby authorised to alter and vary the terms of remuneration of Sri Sanjay Jayavarthanelu, Chairman and Managing Director, as it may deem fit, subject to the same not exceeding the limits as approved by the Shareholders.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient, to give effect to the above Resolution without being required to seek any further consent or approval of

the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

6. To consider and approve the continuation of Directorship of Sri S Pathy (DIN: 00013899) as a Non-Executive and Non-Independent Director beyond the age of 75 years and in this regard, if thought fit, to give assent/dissent to the following resolution to be passed as a **Special Resolution:**

RESOLVED THAT pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the consent of the Members of the Company be and is hereby accorded for continuation of Directorship of Sri S Pathy (DIN: 00013899) as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation, on the Board of the Company notwithstanding him attaining the age of 75 years on 17th November 2024.

RESOLVED FURTHER THAT the Board of Directors (including any Committee(s) constituted by the Board from time to time) of the Company be and are hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

7. To consider and approve the appointment of Sri Venkataramani Anantharamakrishnan (DIN: 00277816) as an Independent Director of the Company and in this regard, if thought fit, to give assent/dissent to the following resolution to be passed as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended) and the Articles of Association of the Company and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Sri Venkataramani Anantharamakrishnan (DIN: 00277816), who had submitted a declaration

that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years with effect from 5th August 2024 and is not liable to retire by rotation.

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

8. To consider and approve the appointment of Smt Pushya Sitaraman (DIN: 06537196) as an Independent Woman Director of the Company and in this regard, if thought fit, to give assent/dissent to the following Resolution to be passed as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended) and the Articles of Association of the Company and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Smt Pushya Sitaraman (DIN: 06537196), who had submitted a declaration that she meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Woman Director of the Company to

hold office for a term of five (5) consecutive years with effect from 5th August 2024 and is not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of Listing Regulations and other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the consent of the Members of the Company be and is hereby accorded for continuation of Directorship of Smt Pushya Sitaraman (DIN: 06537196), as an Independent Woman Director of the Company, on the Board of the Company notwithstanding her attaining the age of 75 years on 23rd December 2028.

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

9. To consider the ratification of remuneration payable to the Cost Auditor and in this regard, if thought fit, to give assent/ dissent to the following Resolution to be passed as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), Sri A N Raman (Membership No: 5359) Cost Accountant, Chennai, who was appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost accounting records of the Company for the financial Year 2024-25 on a remuneration of ₹7,00,000/- (Rupees Seven Lakhs Only) per annum exclusive of applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit as fixed by the Board of Directors, be and is hereby ratified and confirmed.

10. To consider and approve the change of name of the Company and in this regard, if thought fit, to give

assent/dissent to the following Resolution to be passed as a **Special Resolution**:

RESOLVED THAT pursuant to Sections 4, 5, 13(2), 14, 15 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules framed thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 45 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the approval of BSE Limited, the National Stock Exchange of India Limited, Central Government (power delegated to Registrar of Companies) and such other necessary approvals, consents, permissions and sanctions, as may be required in this regard from any appropriate authority and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), the consent of the Members of the Company be and is hereby accorded for changing the name of the Company from "**Lakshmi Machine Works Limited**" to "**LMW Limited**".

RESOLVED FURTHER THAT the new name of the Company be given effect from the date of issue of the fresh Certificate of Incorporation by the Registrar of Companies, consequent to which the Memorandum of Association & Articles of Association of the Company be altered by deleting the existing name "Lakshmi Machine Works Limited" wherever appearing and substituting it with the new name "LMW Limited".

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any of its duly constituted Committee), be and are hereby severally authorised to do all such acts, deeds, matters and things and to authorise/depute/delegate/appoint any official of the Company/consultants/lawyers as may be required and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable without being required to seek any further consent or approval of the Members and the approval of the Members shall be deemed to have given thereto by the authority of this Resolution.

By order of the Board

C R Shivkumaran
Company Secretary

Place: Coimbatore
Date: 27th May 2024

Notes:

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") with respect to the special business(es) as set out in the Notice is annexed hereto.
2. The Ministry of Corporate Affairs ("MCA") vide its relevant Circulars issued during the years 2020, 2021, 2022 and 2023 permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The same has been acknowledged by the Securities and Exchange Board of India vide its relevant Circulars issued during the years 2020, 2021, 2022 and 2023. The deemed venue for the AGM shall be the Corporate Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM.
3. **Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.** Since this AGM is being held pursuant to the MCA Circulars / SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (in PDF/JPEG format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorisation shall be sent to the Scrutinizer by email through its registered email address to lmw@mdsassociates.in with a copy marked to the email id evoting@nsdl.com.
5. The Register of Members and Share Transfer books of the Company will remain closed from Thursday, 25th July 2024 to Wednesday, 31st July 2024 (both days inclusive) as per Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 91 of the Companies Act, 2013.
6. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration, to those Members whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of shares held in electronic form as per the details received from the depositories for this purpose as at the close of the business hours on Wednesday, 24th July 2024.
7. Members who have not registered their Bank particulars with the Depository Participant(s) ("DP") / Company are advised to utilise the electronic solutions provided by National Automated Clearing House ("NACH") for receiving dividends. Members holding shares in electronic form are requested to contact their respective Depository Participant(s) for availing this facility. Members holding shares in physical form are requested to download the NACH form from the website of the Company viz., www.lmwglobal.com and the same, duly filled up and signed along with original cancelled cheque leaf may be sent to the Company or to the Registrar and Share Transfer Agent ("RTA").
8. Members whose shareholding is in the electronic mode are requested to update bank account details (Bank Account Number, Name of the Bank, Branch, IFSC, MICR code and place with PIN Code) to their respective Depository Participant(s) and not with the Company. Members whose shareholding is in the physical mode are requested to direct the above details to the Company or to the RTA. Regular updation of bank particulars is intended to prevent fraudulent activities.
9. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding(s) to electronic mode.
10. A. Securities and Exchange Board of India ("SEBI") had earlier mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed

entities / Registrar and Share Transfer Agent with effect from 1st April 2019.

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

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

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

Necessary prior intimation(s) in this regard was provided to the Shareholders. A copy of the required circular(s) is/are available on the Company's website www.lmwglobal.com.

11. a. Members are requested to notify immediately any change in their address:
- to their Depository Participant(s) ("DPs") in respect of the shares held in electronic form, and
 - to the Company or its RTA, in respect of the shares held in physical form together with a proof of address viz, Aadhar Card /Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/ Passport etc.
- b. In case the registered mailing address is without the Postal Identification Number Code ("PIN CODE"), Members are requested to kindly inform their PIN CODE immediately to the Company / RTA/ DPs.
12. Non-Resident Indian ("NRI") Members are requested to inform the Company or its RTA or to the concerned Depository Participant(s), as the case may be, immediately:
- the change in their residential status on return to India for permanent settlement or
 - the particulars of the NRE/NRO Account with a bank in India, if not furnished earlier.
13. As per the provisions of Section 72 of the Act, the facility for making nominations is now available to individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the RTA of the Company or can download the form from the Company's website namely www.lmwglobal.com. Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.
14. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer Agent ("RTA"), the details of such folios together with the share certificates for consolidating their holdings into one folio.
15. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company or its RTA, namely, M/s Link Intime India Private Limited, 'Surya', 35, Mayflower Avenue, behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028, Tamil Nadu, India, by quoting the Folio number or the Client ID number with DP ID number.
16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
17. A Member who needs any clarification on accounts or operations of the Company shall send his/her queries addressed to the Company Secretary at investors@lmw.co.in, so as to reach him on or before Friday, 26th July 2024. Such queries will be replied by the Company suitably, during the AGM or through a separate e-mail.
18. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary / RTA of the Company.
19. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the

Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013. The details of unpaid dividend can be viewed on the Company's website www.lmwglobal.com. As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company will be transferring the share(s) on which the beneficial owner has not encashed any dividend during the last seven years to the IEPF demat account as identified by the IEPF Authority. Details of Shareholders whose shares are liable to be transferred to IEPF are available on the Company's website: www.lmwglobal.com. The Shareholders whose unclaimed dividend / share has been transferred to the 'Investor Education and Protection Fund', may claim the same from the IEPF authority by filing Form IEPF-5 along with the requisite documents.

20. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email address is registered with the Company/ RTA/ Depositories. Members may note that the Notice and Annual Report 2023-24 is also available on the Company's website www.lmwglobal.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL www.evoting.nsd.com. Further, pursuant to SEBI's Circular the Company will be sending a hard copy of the Annual Report to those Shareholders who request for the same through the email id investors@lmw.co.in.
21. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
22. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their Residential Status, Category as per Income Tax Act ("IT Act"), PAN with the Company/ RTA (in case of shares being held in physical mode) and depositories (in case of shares being held in demat mode) immediately. A resident individual Shareholder having PAN and entitled to receive dividend amount exceeding ₹5,000/- and who

is not liable to pay Income Tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by clicking on the link <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before 31st July 2024. Shareholders are requested to note that in case their PAN is not registered with the DP/Company, the tax will be deducted at the applicable higher rate.

Non-resident Shareholders can avail beneficial rates under the relevant tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by clicking on the link <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. The aforesaid declarations and documents need to be submitted by a Shareholder on or before 31st July 2024.

Separate intimation in this regard will be given to the Shareholders.

23. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
24. The Securities and Exchange Board of India ("SEBI") has mandated for submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the RTA.
25. Members may kindly note that in accordance with SEBI circular dated 31st July 2023, the Company has registered on the SMART ODR (Securities Market Approach for Resolution through Online Disputes Resolution) Portal. This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution institutions for addressing complaints. Members can access the SMART ODR Portal via: <https://smartodr.in/login>. Members may utilise this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).
26. Members holding shares in electronic form may please note that as per the regulations of Securities and Exchange Board of India ("SEBI"), National Securities Depository Limited ("NSDL") and Central Depository

Services (India) Limited (“CDSL”), the Company is obliged to print the bank details on the dividend warrants as furnished by these depositories to the Company and the Company will not entertain any request for deletion/change of Bank details already printed on dividend warrants as per the information received from the concerned depositories. In this regard, Members should contact their Depository Participant(s) (“DP”) and furnish particulars of any changes as desired by them.

27. Brief resume, details of shareholding and Directors’ inter-se relationship; of Directors seeking election / re-election as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2, are provided as Annexure to this Notice.
28. The Shareholders are advised to register/update their e-mail address with the Company/RTA in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic mode.
29. Annual/provisional financial statements and related details of the wholly owned subsidiary Company(ies) viz, LMW Textile Machinery (Suzhou) Co Ltd., China, LMW Aerospace Industries Limited, India and LMW Global FZE (formerly known as LMW Middle East FZE), United Arab Emirates are posted on the Company’s website and are also kept for inspection at the Registered Office of the Company and at the subsidiary Company(ies). A copy of the same will be provided to the Members on request.
30. Soft copies of the Register of Directors’ and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members during the AGM.

VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s), amendments, clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2), the Company is providing to its Members with the facility to cast their vote electronically from a place other than venue of the Annual General Meeting (“remote e-voting”) using an electronic voting system provided by National Securities Depository Limited (“NSDL”) as an alternative, for all Members’ of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of Annual General Meeting and the business may be transacted through such remote e-voting/ e-voting during the AGM. Instructions to Shareholders provided hereinafter for e-voting explains the process and manner for generating/ receiving the password, and for casting of vote(s) in a secure manner.

However, the Members are requested to take note of the following items:

- I. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of Annual General Meeting Notice and holding shares as of the cut-off date, i.e., Wednesday, 24th July 2024, may refer to this Notice of the Annual General Meeting, posted on Company’s website www.lmwglobal.com for detailed procedure with regard to remote e-voting. Any person who ceases to be the Member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote(s) again.

Instructions for Shareholders voting electronically are as under:

The remote e-voting period begins on Sunday, 28th July 2024 at 09:00 A.M. and ends on Tuesday, 30th July 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 24th July 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 24th July 2024.

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





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

Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated 9th December 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">Existing IDeAS user can visit the e-Services website of NSDL viz., https://eservices.nsdl.com either on a Personal Computer or on a Mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jspVisit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a Mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.Shareholders/Members can also download NSDL Mobile App "NSDL Speed-e" facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"><div style="text-align: center;"> </div><div style="text-align: center;"> </div></div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none">Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password.

Type of shareholders	Login Method
	<ol style="list-style-type: none"> After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request to Ms Pallavi Mhatre, Senior Manager, at evoting@nsdl.com or call at 022 - 4886 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

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

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

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID, for example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID, for example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company, for example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

- b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to lmw@mdsassociates.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call: 022 - 4886 7000 or send a request to Ms Pallavi Mhatre, Senior Manager, at evoting@nsdl.com.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@lmw.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy

of Aadhar Card) to investors@lmw.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/Shareholders who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and

Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number to investors@lmw.co.in. The same will be replied by the company suitably.

6. Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number to investors@lmw.co.in on or before 05:00 P.M. IST on Friday, 26th July 2024.
7. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting ("AGM").
8. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- III. The voting rights of Shareholders shall be in proportion of their shares to the paid-up equity share capital of the Company reckoned as on the cut-off date, which is, Wednesday, 24th July 2024.
- IV. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Meeting.
- V. The Company has appointed Sri M D Selvaraj of MDS & Associates LLP, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process and the vote by e-voting conducted during the Meeting, in a fair and transparent manner.
- VI. The Chairman, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, shall allow e-voting for all those Members who are present at the Annual General Meeting by electronic means but have not already cast their votes by availing the remote e-voting facility. The e-voting module shall be disabled for voting thereafter.
- VII. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast by e-voting during the AGM and thereafter

unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- VIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.lmwglobal.com and on the website of NSDL immediately after the declaration of the result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges, where the shares of the Company are listed.

Explanatory statement in terms of Section 102 of the Companies Act, 2013

Item No. 4

The Shareholders at the 58th Annual General Meeting held on 21st July 2021 had approved the payment of commission to the Non-Executive Directors up to a sum not exceeding 1% of the Net Profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, subject to an overall limit of ₹1,00,00,000/- (Rupees One Crore only)

per annum (exclusive of sitting fees payable for attending the Meetings of the Board of Directors, Committees thereof and meeting of Independent Directors) for a period of 3 years from 1st April 2021.

Now, the Nomination and Remuneration Committee, Audit Committee and the Board of Directors at their respective Meetings held on 27th May 2024 have inter alia recommended the proposal for payment of commission to the Non-Executive Directors up to a sum not exceeding 1% of the Net Profits of the Company computed in the manner as specified under Section 198 of the Companies Act, 2013 subject to a maximum sum of ₹1,00,00,000/- (Rupees One Crore Only) per annum, to be paid and distributed amongst the Non-Executive Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors (including any Committees thereof) of the Company, for a term of three (3) financial years commencing from 1st April 2024. The commission payable to the Non-Executive Directors of the Company as mentioned above shall be in addition to the sitting fees payable for attending the Meetings of the Board of Directors, Committees thereof and Meeting of Independent Directors.

Pursuant to Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Members is required to be obtained for payment of commission to the Non-Executive Directors of the Company. Further, pursuant to the provisions of Section 197(3) of the Companies Act, 2013, read with the amended Schedule V thereto, if in any financial year, the Company has no profits or its profits are inadequate, the Company can pay remuneration to the Non-Executive Directors not exceeding the limits as specified under Item A of Section II of Part II of Schedule V of the Companies Act, 2013. However, remuneration in excess of the limits as given in Schedule V of the Companies Act, 2013 may be paid provided a Special Resolution is passed by the Members.

With the complexity of managing business increasing by the day, the Non-Executive Directors are nowadays required to devote considerable time and effort towards the business activities of the Company. In this regard, considering the prevailing economic and business conditions, greatly impacted by the geo-political issues, the Company may be in a situation of having inadequacy or absence of profits for payment of remuneration to the Non-Executive Directors. In such a situation, Members' consent is also being sought for payment of minimum commission of a sum not exceeding ₹1,00,00,000/- (Rupees One Crore Only) per annum to be paid and distributed amongst the Non-Executive Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be

decided by the Board of Directors (including any Committees thereof) of the Company. Further, as on 31st March 2024 the Company has no debts.

The disclosures as required under Schedule V of the Companies Act, 2013, Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 are furnished and form a part of this Notice.

The Board recommends the Resolution as set out in Item No. 4 of the Notice of the AGM for the approval of the Members.

Interest of Directors:

Except all the Non-Executive Directors being the recipient(s) of the commission, none of the other Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution as set out in Item No. 4 of the accompanying Notice of the AGM.

Item No 5:

Sri Sanjay Jayavarthanelu (DIN: 00004505) has been a Director in the Company since 1993. He has rich and varied experience profile and has led the Company with his leadership and vision. Considering his professional commitment to the Company, and the results which have been achieved by him as a Managing Director, the Shareholders of the Company at the 58th Annual General Meeting held on 21st July 2021 had accorded their approval for the re-appointment of Sri Sanjay Jayavarthanelu as the Managing Director of the Company for a further period of 5 years with effect from 1st April 2022 and for payment of remuneration for a period of 3 years with effect from 1st April 2022.

Pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, remuneration payable to the Managing Director shall be subject to the approval of the Shareholders of the Company in the General Meeting.

As per Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee at their Meeting held on 27th May 2024 had in the best interest and for the progress of the Company, determined his remuneration as set out in the Resolution for the remaining period of 2 years with effect from 1st April 2025 till the existing tenure of his appointment and recommended the same to the Audit Committee and to the Board.

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Audit Committee of the Board of Directors at their Meeting held on 27th May 2024 have also approved

the remuneration payable to Sri Sanjay Jayavarthanavelu as Managing Director of the Company for a remaining period of 2 (two) years and have recommended the same to the Board.

Further, Regulation 17(6)(e) of the Listing Regulations also requires approval of the Shareholders by way of Special Resolution in the General Meeting, if the aggregate annual remuneration payable to all the Executive Directors who are Promoters or Members of the Promoter Group exceeds 5% of the Net Profit of the Company. Also, Section 197 of the Companies Act, 2013, requires approval of the Shareholders by way of a Special Resolution in the General Meeting if the remuneration payable to Executive Directors exceeds 10% of the Net Profit of the Company. As the remuneration payable to Sri Sanjay Jayavarthanavelu during his remaining tenure as Managing Director along with the remuneration payable to other executive directors may exceed the limits prescribed above, the approval of the Shareholders is also being sought vide a Special Resolution.

Further, pursuant to Section 197 and Schedule V of the Companies Act, 2013, the managerial personnel are eligible to receive minimum remuneration and remuneration in excess of the limits as specified in the Companies Act, 2013 upon receipt of approval of the Shareholders by means of a Special Resolution. In this regard, considering the prevailing economic and business conditions, greatly impacted by the geo-political issues, the Company may be in a situation of having inadequacy or absence of profits for payment of remuneration to the Directors. Thus, to ensure payment of minimum remuneration to Sri Sanjay Jayavarthanavelu, approval of the Shareholders is being sought. Further, as on 31st March 2024 the Company has no debts.

Based on the above, the Board of Directors have recommended the Resolution as set out in Item No.5 of the Notice for approval of the Members as a Special Resolution.

The disclosures as required under Schedule V of the Companies Act, 2013, Regulation 36 of the Listing Regulations and Secretarial Standard 2 are furnished and form a part of this Notice.

Interest of Directors:

Except Sri Sanjay Jayavarthanavelu being the beneficiary and Sri Jaidev Jayavarthanavelu, Wholetime Director being his relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No.5.

Item No. 6

Sri S Pathy (DIN: 00013899) is a Non-Executive Director of the Company and has been associated with the Company for the past five decades.

Pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), a Non-Executive Director of the Company who has attained the age of 75 years cannot continue to act as a Non-Executive Director in the Company unless the approval of the Members is obtained through a special resolution.

Sri S Pathy will be attaining the age of 75 years on 17th November 2024, and accordingly, pursuant to the said regulation, the approval of the Members by a special resolution is required to be obtained to enable Sri S Pathy to continue his directorship in the Company.

Sri S Pathy is the Chairman and Managing Director of M/s The Lakshmi Mills Company Limited, Coimbatore. Sri S Pathy over the years has rich experience in the fields of Textile, Engineering, Finance, Human Resources and Administration and has immensely contributed to the growth of the Company over the past five decades through his valuable insights to the Board.

Therefore, the Board of Directors are of the opinion that his continuation as a Non-Executive and Non-Independent Director beyond the age of 75 years will be beneficial to the Company.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective Meetings held on 27th May 2024 have recommended the continuation of Directorship of Sri S Pathy as a "Non-Executive Director" of the Company by considering his rich experience, expertise and immense contribution towards the development of the Company since its initial stages.

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

Therefore, the Board of Directors recommend the Special Resolution set forth in Item No. 6 for approval of the Members.

Interest of Directors:

Except Sri S Pathy being the beneficiary, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No.6.

Item No. 7

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meetings held on 27th May 2024 have recommended the appointment of Sri Venkataramani Anantharamakrishnan (DIN: 00277816), as a Director of the Company with effect from 5th August 2024. Further, the

Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 ('the Act'), proposing his candidature for the office of Independent Director of the Company.

Sri Venkataramani Anantharamakrishnan is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and is not debarred from holding the office of Director by virtue of any Securities and Exchange Board of India ("SEBI") order or any other such authority. Sri Venkataramani Anantharamakrishnan has given his consent to act as a Director along with the declaration to the effect that he meets the criteria of independence as prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that his name is included in the databank of Independent Directors as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, Sri Venkataramani Anantharamakrishnan fulfills the conditions as specified under the Act read with the Rules made thereunder and the Listing Regulations for his appointment as an Independent Director of the Company and is also independent of the Management.

The Nomination and Remuneration Committee and the Board of Directors have reviewed/ evaluated the balance of skills, knowledge and experience on the Board and identified the role and capabilities required of an Independent Director and considered that the appointment of Sri Venkataramani Anantharamakrishnan with his experience and expertise will be of immense value addition to the Company.

Sri Venkataramani Anantharamakrishnan is currently the Managing Director of IP Rings Limited, a leading light engineering Company involved in the manufacture of Steel Piston Rings and near net shaped cold forged components. He also serves on the boards of companies such as Amalgamations Repco, George Oakes, Edutech NTF, Parry Enterprises, Avalon Technologies and Shanthi Gears.

A Mechanical Engineer from the UK and an MBA from the University of Chicago, his achievements include negotiating joint venture agreements and setting up greenfield projects. He has also served as President of the Auto Component Manufacturers Association (ACMA), The Madras Chamber of Commerce and Industry (MCCI) and Madras Management Association (MMA).

A copy of the draft Appointment Letter to be issued to Sri Venkataramani Anantharamakrishnan upon his appointment as an Independent Director, containing the terms and conditions of such appointment, would be

available to Members for inspection at the Registered Office of the Company during the normal business hours (9:00 am, India Standard Time ("IST") to 4:00 pm IST) on any business day without payment of fee.

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

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

Interest of Directors:

Except Sri Venkataramani Anantharamakrishnan being the proposed appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution as set out in Item No. 7 of the Notice.

Item No. 8

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meetings held on 27th May 2024 have recommended the appointment of Smt Pushya Sitaraman (DIN: 06537196), as a Director of the Company with effect from 5th August 2024. Further, the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 ('the Act'), proposing her candidature for the office of Independent Director of the Company.

Smt Pushya Sitaraman, is not disqualified from being appointed as a Director in terms of Section 164 of the Act and is not debarred from holding the office of Director by virtue of any Securities and Exchange Board of India ("SEBI") order or any other such authority. She has given her consent to act as a Director along with the declaration to the effect that she meets the criteria of independence as prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that her name is included in the databank of Independent Directors as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Pursuant to Regulation 17(1) of the Listing Regulations, top 1,000 listed Companies identified based on the market capitalisation are required to have an Independent Woman Director on the Board. The Company upon appointment of Smt Pushya Sitaraman as an Independent Woman Director will continue to comply with the said requirement even after the retirement of the existing Independent Woman Director.

In the opinion of the Board, Smt Pushya Sitaraman, fulfills the conditions as specified under the Act read with the Rules made thereunder and the Listing Regulations for her appointment as an Independent Director of the Company and is also independent of the Management.

The Nomination and Remuneration Committee and the Board of Directors have reviewed/ evaluated the balance of skills, knowledge and experience on the Board and identified the role and capabilities required of an Independent Director and considered that the appointment of Smt Pushya Sitaraman, with her experience and expertise will be of immense value addition to the Company.

Further, Smt Pushya Sitaraman will be attaining the age of 75 years on 23rd December 2028, and accordingly, pursuant to Regulation 17(1A) of the Listing Regulations, the approval of the Members by a special resolution is required to be obtained to enable Smt Pushya Sitaraman to continue her directorship in the Company beyond the age of 75 years.

Smt Pushya Sitaraman hails from a family of lawyers, she enrolled as an advocate in the year 1983, after completing her education at Stella Maris College and Madras Law College. She was designated by the Madras High Court as a Senior Advocate in the year 2009. In her career spanning over 40 years, she has been largely specialising in taxation and corporate laws. She is also an Accredited Mediator with the Tamilnadu Mediation and Conciliation Centre since 2006.

Before being designated as Senior Advocate in October 2009, she had served as Senior Standing Counsel for the Income Tax Department for seven years. She has also been advising and representing many Companies and business houses in taxation related matters.

She has served on the governing body of her alma mater, Vidyodaya Schools Society, held positions as President - Revenue Bar Association, Vice Chairperson - All India Federation of Tax Practitioners, South Zone. She is currently the Chairperson of M Subbaraya Aiyer Birth Centenary Charitable Trust.

She is currently on the boards of several companies and has more than ten years of experience as a Director in the manufacturing sector and more than five years in the financial services sector.

Considering her expertise and experience, the Board of Directors are of the opinion that her continuation as an Independent Director beyond the age of 75 years will be beneficial to the Company.

A copy of the draft Appointment Letter to be issued to Smt Pushya Sitaraman, upon her appointment as an

Independent Director, containing the terms and conditions of such appointment, would be available to Members for inspection at the Registered Office of the Company during the normal business hours (9:00 am, India Standard Time ("IST") to 4:00 pm IST) on any business day without payment of fee.

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

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

Interest of Directors:

Except Smt Pushya Sitaraman, being the proposed appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution as set out in Item No. 8 of the Notice.

Item No. 9

The Board of Directors, on the recommendation of the Audit Committee, had approved the appointment of and remuneration payable to Sri A N Raman, Cost Accountant for auditing the Cost Accounting records of the Company pursuant to the Companies (Cost Records and Audit) Rules 2014, for the financial year 2024-25 at a remuneration of ₹7,00,000/- (Rupees Seven Lakhs Only) per annum excluding the applicable taxes and reimbursement of out-of-pocket expenses incurred by him in connection with the Audit.

As per Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor as determined by the Board is required to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year 2024-25.

Accordingly, the Board recommends this Ordinary Resolution for the approval of the Members.

Interest of Directors:

None of the Directors, Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the Resolution as set out in Item No. 9 of the Notice.

Item No. 10

The strategic proposal to change the Company's name from "Lakshmi Machine Works Limited" to "LMW Limited" aims to align the organisation's identity with its global stature. Originally incorporated on 14th September 1962, under the name "Lakshmi Machine Works Limited," the Company received the Certificate for Commencement of Business on 7th November 1962.

Over six decades, "Lakshmi Machine Works Limited," popularly known as "LMW," has been a key player in the Textile Machinery Manufacturing industry. Its diversification into Machine Tools, Foundry, and Aerospace has solidified its position in each division.

Since its inception, the Company has consistently used the brand name "LMW". Trademarked in 1992, "LMW" features prominently on official corporate documents, contributing to strong goodwill. Globally recognised by shareholders, vendors, and customers, the Company's high-quality products are commonly associated with the brand "LMW."

While the official name remains "Lakshmi Machine Works Limited", the market predominantly knows it by its acronym, "LMW". The trademarked logo, featuring "LMW" alongside a Goddess Lakshmi symbol, appears on name boards, websites, advertisements, and packaging materials.

With an expanding global footprint, stakeholders worldwide identify the company as "LMW". Additionally, the Company's wholly owned subsidiaries abroad-LMW Textile Machinery (Suzhou) Co. Ltd., China, and LMW Global FZE, United Arab Emirates-already incorporate the "LMW" name. Hence there is a need to align the name of the Company across geography.

The proposed name succinctly abbreviates the existing one, maintaining continuity while reflecting the Company's diversified business verticals. As the company expands globally, a shorter, easily recallable name will propel its journey forward.

Further, the proposed name is an abbreviation of the existing name "Lakshmi Machine Works Limited". The Company will be making an application for reservation of name change to

the Central Registration Centre, Ministry of Corporate Affairs for the desired name "LMW Limited". Necessary application is being made to BSE Limited and the National Stock Exchange of India Limited for obtaining their in-principle approval.

Pursuant to the provisions of Sections 13, and 14 of the Companies Act, 2013 the alteration of the name clause of the Memorandum of Association and Articles of Association requires the approval of the Members of the Company by way of a Special Resolution and is also subject to the approval of the Central Government (power delegated to Registrar of Companies).

The proposed change in name of the Company will not affect any of the rights of the Company or of the shareholders/ stakeholders of the Company.

Accordingly, the Special Resolution as set out in Item No.10 of the Notice is placed before the Members for their approval.

The Company is in compliance with the conditions provided under Regulation 45(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the change of name of the listed entity, to the extent they are applicable. A Certificate obtained from RJC Associates, Chartered Accountants (Firm Registration Number 003496S) dated 27th May 2024 to this effect is annexed hereto and forms part of this Notice and explanatory statement.

The Board recommends the Special Resolution as set out in Item No.10 of the Notice for the approval of the Members.

Copies of the draft of the Memorandum of Association and the Articles of Association of the Company are available on the website of the Company www.lmwglobal.com and is also available for inspection at the Registered Office of the Company during normal business hours on any working day up to the date of the Annual General Meeting.

Interest of Directors:

None of the Directors, Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the Resolution as set out in Item No. 10 of the Notice.

PROFILE OF DIRECTORS PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 - CLAUSE 1.2.5 AS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name	Sri Sanjay Jayavarthanelu	
Director Identification Number (DIN)	00004505	
Date of Birth/Nationality	15 th June 1968 / Indian	
Date of appointment on the Board	24 th February 1993	
Inter-se relationship with other Directors / Key Managerial Personnel	Sri Sanjay Jayavarthanelu is the father of Sri Jaidev Jayavarthanelu, Wholetime Director of the Company.	
Qualification	Postgraduate in Business Administration from Philadelphia University, USA with specialisation in Management and Finance.	
Expertise in area / Experience	He has nearly three decades of experience in the fields of textile, textile engineering, machine tools, foundry, aerospace, logistics, finance and administration. Also refer to the section on skill sets as contained in the Corporate Governance Report.	
Number of Shares held in the Company (including shareholding as a beneficial owner)	1,42,291 Equity Shares of ₹10 each. Further, he holds 17% of beneficial interest in the Company along with others.	
Board Position Held	Chairman and Managing Director.	
Terms and conditions of appointment	The appointment shall be governed by the Resolution passed by the Shareholders.	
Remuneration paid for the financial year	Information as disclosed in the Corporate Governance Report annexed to the Annual Report.	
Remuneration proposed to be paid	He is entitled to Salary, Perks and Commission on Net Profits as detailed in the Resolution passed by the Shareholders.	
Number of Board Meetings attended during the year	Information as disclosed in the Corporate Governance Report annexed to the Annual Report	
Directorship held in other companies	Listed:	Others:
	<ol style="list-style-type: none"> 1. The Lakshmi Mills Company Limited 2. Carborundum Universal Limited 3. Lakshmi Electrical Control Systems Limited 4. Super Sales India Limited 	<ol style="list-style-type: none"> 1. Chakradhara Aerospace and Cargo Private Limited 2. Lakshmi Life Sciences Private Limited 3. Lakshmi Ring Travellers (Coimbatore) Private Limited 4. Lakshmi Technology and Engineering Industries Limited 5. Alampara Hotels and Resorts Private Limited 6. Lakshmi Cargo Company Limited 7. Petrus Technologies Private Limited 8. Rhodius Abrasives GmbH, Germany
Names of the listed entities from which the person has resigned in the past 3 years	Nil	

Name	Sri Sanjay Jayavarthanavelu (continued)	
Chairman / Membership in other committees of the Board	Listed	Others
	<ol style="list-style-type: none"> 1. Lakshmi Machine Works Limited: Chairman of Corporate Social Responsibility Committee and Shares and Debentures Committee. 2. Super Sales India Limited: Member of Share Transfer Committee. 3. Carborundum Universal Limited: Chairman of Audit Committee and Nomination and Remuneration Committee. 4. The Lakshmi Mills Company Limited: Member of Nomination and Remuneration Committee. 	<ol style="list-style-type: none"> 1. Chakradhara Aerospace and Cargo Private Limited: Member of Corporate Social Responsibility Committee.

Name	Sri S Pathy	
Director Identification Number (DIN)	00013899	
Date of Birth/Nationality	17 th November 1949 / Indian	
Date of appointment on the Board	21 st March 1973	
Inter-se relationship with other Directors / Key Managerial Personnel	None of the Directors and /or Key Managerial Persons of the Company and their relatives are related to Sri S Pathy.	
Qualification	B Com	
Expertise in area / Experience	Sri S Pathy has about five decades of experience in the fields of textile, textile engineering, finance and administration. Also, refer to the section on skill sets as contained in the Corporate Governance Report.	
Number of Shares held in the Company (including shareholding as a beneficial owner)	1,420 Equity Shares of ₹10 each. Further, he does not hold beneficial interest in the equity shares of the Company other than the above.	
Board Position Held	Director (Non-Executive and Non-Independent, part of the Promoter Group)	
Terms and conditions of appointment	Liable to retire by rotation. The appointment shall be governed by the Resolution passed by the Shareholders at their Meeting(s).	
Remuneration paid for the financial year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.	
Remuneration proposed to be paid	He is entitled for payment of sitting fees for attending the meetings of the Board and its Committees. He shall also be paid Commission on Net Profits of the Company as decided by the Board of Directors within the limits as approved by the Shareholders.	
Number of Board Meetings attended during the year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.	

Name	Sri S Pathy (continued)	
Directorship held in other companies	Listed:	Others:
	<ol style="list-style-type: none"> 1. The Lakshmi Mills Company Limited 2. Lakshmi Automatic Loom Works Limited 	<ol style="list-style-type: none"> 1. Lakshmi Card Clothing Mfg. Company Private Limited 2. LCC Investments Private Limited 3. Coimbatore Lakshmi Cotton Press Private Limited 4. Sans Craintes Stud Farm Private Limited 5. Sans Craintes Livestock Private Limited 6. Rasakondalu Developers Private Limited 7. Sans Craintes Power Private Limited
Names of the listed entities from which the person has resigned in the past 3 years	Nil	
Chairman / Membership in other committees of the Board	Listed :	
	<ol style="list-style-type: none"> 1. Lakshmi Machine Works Limited: Member of Nomination and Remuneration Committee, Stakeholders Relationship Committee and Shares and Debentures Committee. 2. The Lakshmi Mills Company Limited: Member of Corporate Social Responsibility Committee. 	

Name	Sri Aroon Raman
Director Identification Number (DIN)	00201205
Date of Birth/Nationality	21 st March 1960 / Indian
Date of appointment on the Board	11 th May 2022
Inter-se relationship with other Directors / Key Managerial Personnel	None of the Directors and /or Key Managerial Persons of the Company and their relatives are related to Sri Aroon Raman.
Qualification	M.A. from Jawaharlal Nehru University and M.B.A. from University of Pennsylvania, USA
Expertise in area / Experience	Has over three decades of experience in varied fields of technology, operations, general management, research & development. Also refer to the section on skill sets as contained in the Corporate Governance Report.
Number of Shares held in the Company (including shareholding as a beneficial owner)	Nil. Further, he does not hold any beneficial interest in the equity shares of the Company.
Board Position Held	Non-Executive and Independent Director
Terms and conditions of appointment	The appointment shall be governed by the Resolution passed by the Shareholders at their Meeting(s).
Remuneration paid for the financial year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.
Remuneration proposed to be paid	He is entitled for payment of sitting fees for attending the Meetings of the Board and its Committees. He shall also be paid Commission on Net Profits of the Company as decided by the Board of Directors within the limits as approved by the Shareholders.
Number of Board Meetings attended during the year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.

Name	Sri Aroon Raman (continued)	
Directorship held in other companies	Listed:	Others:
	<ol style="list-style-type: none"> 1. Carborundum Universal Limited 2. Wheels India Limited 3. Brigade Enterprises Limited 	<ol style="list-style-type: none"> 1. TVS Automobile Solutions Private Limited 2. Trichur Sundaram Santhanam & Family Private Limited 3. Telos Investments & Technologies Private Limited 4. Edutech NTTF India Private Limited 5. Nettur Technical Training Foundation
Names of the listed entities from which the person has resigned in the past 3 years	Nil	
Chairman / Membership in other committees of the Board	Listed	Unlisted:
	<ol style="list-style-type: none"> 1. Carborundum Universal Limited: Chairman of Corporate Social Responsibility Committee, Member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee. 2. Wheels India Limited: Chairman of Nomination and Remuneration Committee, Member of Audit Committee and Corporate Social Responsibility Committee. 3. Brigade Enterprises Limited: Chairman of Nomination and Remuneration Committee, Member of Audit Committee and Corporate Social Responsibility Committee. 	<ol style="list-style-type: none"> 1. TVS Automobile Solutions Private Limited: Member of Audit Committee, Nomination and Remuneration Committee and Compensation Committee.

Name	Sri Arun Alagappan
Director Identification Number (DIN)	00291361
Date of Birth/Nationality	19 th July 1976 / Indian
Date of appointment on the Board	26 th October 2016
Inter-se relationship with other Directors / Key Managerial Personnel	None of the Directors and/or Key Managerial Personnel of the Company and their relatives are related to Sri Arun Alagappan.
Qualification	MBA
Expertise in area / Experience	Sri Arun Alagappan is the Wholetime Director in Coromandel International Limited. He has two and half decades of rich multi-functional experience across a wide spectrum of industries. Also, refer to section on skill sets as contained in the Corporate Governance Report.
Number of Shares held in the Company (including shareholding as a beneficial owner)	Nil. Further, he does not hold any beneficial interest in the equity shares of the Company.

Name	Sri Arun Alagappan (continued)	
Board Position Held	Non-Executive and Independent Director	
Terms and conditions of appointment	The appointment shall be governed by the Resolution passed by the Shareholders at their Meeting(s).	
Remuneration paid for the financial year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.	
Remuneration proposed to be paid	He is entitled for payment of sitting fees for attending the Meetings of the Board and its Committees. He shall also be paid Commission on Net Profits of the Company as decided by the Board of Directors within the limits as approved by the Shareholders.	
Number of Board Meetings attended during the year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.	
Directorship held in other companies	Listed:	Others:
	1. Coromandel International Limited 2. Thirumalai Chemicals Limited	1. Southern India Chamber of Commerce and Industry 2. Yanmar Coromandel Agrisolutions Private Limited 3. Madras Race Club 4. Dare Ventures Limited 5. Ambadi Enterprises Limited
Names of the listed entities from which the person has resigned in the past 3 years	Cholamandalam Investment and Finance Company Limited	
Chairman / Membership in other committees of the Board	Listed : 1. Coromandel International Limited: Member of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee, Chairman of Corporate Social Responsibility and Sustainability Committee and Banking & Borrowing Committee. 2. Lakshmi Machine Works Limited: Member of Corporate Social Responsibility Committee.	

Name	Dr Mukund Govind Rajan	
Director Identification Number (DIN)	00141258	
Date of Birth/Nationality	5 th April 1968 / Indian	
Date of appointment on the Board	25 th October 2010	
Inter-se relationship with other Directors / Key Managerial Personnel	None of the Directors and/or Key Managerial Persons of the Company and their relatives are related to Dr Mukund Govind Rajan.	
Qualification	B Tech (IIT Delhi), M Phil (Oxford University), Phd (Oxford University)	
Expertise in area / Experience	Corporate Governance, Management & Administration. Also refer to the section on skill sets as contained in the Corporate Governance Report.	
Number of Shares held in the Company (including shareholding as a beneficial owner)	He does not have any shareholding in the Company. Further he does not hold any beneficial interest in the equity shares of the Company.	
Board Position Held	Non-Executive and Independent Director	
Terms and conditions of appointment	The appointment shall be governed by the Resolution passed by the Shareholders at their Meeting(s).	
Remuneration paid for the financial year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.	
Remuneration proposed to be paid	He is entitled for payment of sitting fees for attending the meetings of the Board and its Committees. He shall also be paid Commission on Net Profits of the Company as decided by the Board of Directors within the limits as approved by the Shareholders.	

Name	Dr Mukund Govind Rajan (continued)	
Number of Board Meetings attended during the year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.	
Directorship held in other companies	Listed:	Others:
	Nil	<ol style="list-style-type: none"> 1. Waterfield Fund Managers Private Limited 2. Ecube Investment Advisors Private Limited 3. Waterfield Advisors Private Limited 4. Waterfield Foundation 5. The Rajan Family Charitable Foundation 6. Waterfield International IFSC Private Limited 7. One Planet Partners Private Limited
Names of the listed entities from which the person has resigned in the past 3 years	Nil	
Chairman / Membership in other committees of the Board	Listed:	
	<ol style="list-style-type: none"> 1. Lakshmi Machine Works Limited: Chairman of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee. 	

Name	Sri Aditya Himatsingka	
Director Identification Number (DIN)	00138970	
Date of Birth/Nationality	24 th March 1964 / Indian	
Date of appointment on the Board	25 th October 2010	
Inter-se relationship with other Directors / Key Managerial Personnel	None of the Directors and/or Key Managerial Personnel of the Company and their relatives are related to Sri Aditya Himatsingka.	
Qualification	B Com (Hons), MS (Textiles)	
Expertise in area / Experience	Textiles, Management & Administration. Also refer to the section on skill sets as contained in the Corporate Governance Report.	
Number of Shares held in the Company (including shareholding as a beneficial owner)	He does not have any shareholding in the Company. Further he does not hold any beneficial interest in the equity shares of the Company.	
Board Position Held	Non-Executive and Independent Director	
Terms and conditions of appointment	The appointment shall be governed by the Resolution passed by the Shareholders at their Meeting(s).	
Remuneration paid for the financial year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.	
Remuneration proposed to be paid	He is entitled for payment of sitting fees for attending the meetings of the Board and its Committees. He shall also be paid Commission on Net Profits of the Company as decided by the Board of Directors within the limits as approved by the Shareholders.	
Number of Board Meetings attended during the year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.	
Directorship held in other companies	Listed:	Others:
	<ol style="list-style-type: none"> 1. Coromandel International Limited 	<ol style="list-style-type: none"> 1. An Vivaar LLC 2. Everfast Inc
Names of the listed entities from which the person has resigned in the past 3 years	Nil	
Chairman / Membership in other committees of the Board	Listed :	
	<ol style="list-style-type: none"> 1. Lakshmi Machine Works Limited: Chairman of Stakeholders Relationship Committee, Member of Audit Committee, Corporate Social Responsibility Committee and Risk Management Committee. 2. Coromandel International Limited: Member of Audit Committee. 	

Name	Justice (Smt) Chitra Venkataraman (Retd.)	
Director Identification Number (DIN)	07044099	
Date of Birth/Nationality	22 nd April 1952 / Indian	
Date of appointment on the Board	02 nd February 2015	
Inter-se relationship with other Directors / Key Managerial Personnel	None of the Directors and/or Key Managerial Persons of the Company and their relatives are related to Justice (Smt) Chitra Venkataraman (Retd.).	
Qualification	BA BL	
Expertise in area / Experience	Legal & Administration. Also refer to the section on skill sets as contained in the Corporate Governance Report.	
Number of Shares held in the Company (including shareholding as a beneficial owner)	She does not have any shareholding in the Company. Further, she does not hold any beneficial interest in the equity shares of the Company.	
Board Position Held	Non-Executive and Independent Woman Director	
Terms and conditions of appointment	The appointment shall be governed by the Resolution passed by the Shareholders at their Meeting(s).	
Remuneration paid for the financial year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.	
Remuneration proposed to be paid	She is entitled for payment of sitting fees for attending the Meetings of the Board and its Committees. She shall also be paid Commission on Net Profits of the Company as decided by the Board of Directors within the limits as approved by the Shareholders.	
Number of Board Meetings attended during the year	Information disclosed in the Corporate Governance Report annexed to the Annual Report.	
Directorship held in other companies	Listed:	Others:
	1. The Ramco Cements Limited	Nil
	2. Ramco Industries Limited	
	3. Super Sales India Limited	
Names of the listed entities from which the person has resigned in the past 3 years	Nil	
Chairman / Membership in other committees of the Board	Listed:	
	1. Lakshmi Machine Works Limited: Member of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee.	
	2. The Ramco Cements Limited: Chairperson of Nomination and Remuneration Committee and Stakeholders Relationship Committee. Member of Risk Management Committee, Corporate Social Responsibility Committee and Audit Committee.	
	3. Ramco Industries Limited: Member of Audit Committee and Stakeholders Relationship Committee.	

Name	Sri Venkataramani Anantharamakrishnan	
Director Identification Number (DIN)	00277816	
Date of Birth/Nationality	19 th March 1968/ British	
Date of appointment on the Board	Proposed to be appointed as an Independent Director, subject to approval of Shareholders, with effect from 5 th August 2024.	
Inter-se relationship with other Directors / Key Managerial Personnel	None of the Directors and/or Key Managerial Persons of the Company and their relatives are related to Sri Venkataramani Anantharamakrishnan.	
Qualification	B.E. & M.B.A	
Expertise in area / Experience	Technical, Management, Projects, Human Resources	

Name	Sri Venkataramani Anantharamakrishnan (continued)	
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Refer to the explanatory statement for Item No. 7.	
Number of Shares held in the Company (including shareholding as a beneficial owner)	He does not have any shareholding in the Company. Further, he does not hold any beneficial interest in the equity shares of the Company.	
Board Position Held	Proposed to be appointed as an Independent Director, subject to approval of Shareholders, with effect from 5 th August 2024.	
Terms and conditions of appointment	The appointment shall be governed by the Resolution being passed by the Shareholders at this Annual General Meeting.	
Remuneration paid for the financial year	Nil	
Remuneration proposed to be paid	He is entitled for payment of sitting fees for attending the Meetings of the Board and its Committees. He shall also be paid a Commission on the Net Profits of the Company as decided by the Board of Directors within the limits as approved by the Shareholders.	
Number of Board Meetings attended during the year	Nil	
Directorship held in other companies	Listed:	Others:
	1. IP Rings Limited	1. India Pistons Limited
	2. Avalon Technologies Limited	2. George Oakes Limited
	3. Shanthi Gears Limited	3. Amalgamation Repco Limited
		4. Parry Enterprises India Limited
		5. Amalgamations Private Limited
		6. Edutech NTTF India Private Limited
		7. IPR Eminox Technologies Private Limited
Names of the listed entities from which the person has resigned in the past 3 years	Nil	
Chairman / Membership in other committees of the Board	Listed:	
	1. IP Rings Limited: Member of the Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Share Transfer Committee.	
	2. Avalon Technologies Limited: Member of Audit Committee.	

Name	Smt Pushya Sitaraman	
Director Identification Number (DIN)	06537196	
Date of Birth/Nationality	23 rd December 1953 / Indian	
Date of appointment on the Board	Proposed to be appointed as an Independent Woman Director, subject to approval of Shareholders, with effect from 5 th August 2024.	
Inter-se relationship with other Directors / Key Managerial Personnel	None of the Directors and/or Key Managerial Persons of the Company and their relatives are related to Smt Pushya Sitaraman.	
Qualification	BA BL	
Expertise in area / Experience	Legal, Taxation and Administration	
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Refer to the explanatory statement for Item No. 8.	
Number of Shares held in the Company (including shareholding as a beneficial owner)	She does not have any shareholding in the Company. Further, she does not hold any beneficial interest in the equity shares of the Company.	

Name	Smt Pushya Sitaraman (continued)	
Board Position Held	Proposed to be appointed as an Independent Woman Director, subject to approval of Shareholders, with effect from 5 th August 2024.	
Terms and conditions of appointment	The appointment shall be governed by the Resolution being passed by the Shareholders at this Annual General Meeting.	
Remuneration paid for the financial year	Nil	
Remuneration proposed to be paid	She is entitled for payment of sitting fees for attending the Meetings of the Board and its Committees. She shall also be paid a Commission on Net Profits of the Company as decided by the Board of Directors within the limits as approved by the Shareholders.	
Number of Board Meetings attended during the year	Nil	
Directorship held in other companies	Listed:	Others:
	1. The Western India Plywoods Limited	1. Kohinoor Saw Mills Co Limited 2. Southern Veneers and Woodworks Limited 3. Asirvad Micro Finance Limited 4. Mayabandar Doors Limited 5. Shiksha Financial Services India Private Limited
Names of the listed entities from which the person has resigned in the past 3 years	Nil	
Chairman / Membership in other committees of the Board	Listed: 1. The Western India Plywoods Limited: Member of Audit Committee, Chairperson of Nomination & Remuneration Committee and the Stakeholders Relationship Committee.	

ANNEXURE TO NOTICE OF AGM

Statement of information as per Schedule V of the Companies Act, 2013

Relevant to appointment of Directors and payment of remuneration to Executive/Non-Executive Directors of the Company.

I. GENERAL INFORMATION

1. Nature of Industry

Engineering Industry

2. Date or expected date of commencement of commercial production.

The Company was incorporated on 14th September 1962 and commenced commercial production subsequently in the same year.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not Applicable

4. Financial performance based on given indicators.

(₹ in Crores, except EPS)

Particulars	2023-24	2022-23
Total income	4,738.94	4,689.26
Profit/ (Loss) before tax after exceptional items	479.88	485.41
Profit/ (Loss) after tax	371.38	350.21
Paid-up equity capital	10.68	10.68
Reserves and Surplus*	2,407.70	2,140.15
Basic Earnings Per Share	347.64	327.82

*Forms part of Other Equity

5. Foreign Investments or collaborations, if any.

Refer to Note Number 5 Investments of the Standalone Financial Statements.

II. INFORMATION ABOUT THE DIRECTORS

a. Sri Sanjay Jayavarthanavelu, Chairman and Managing Director

Background Details	Sri Sanjay Jayavarthanavelu is the Chairman and Managing Director of the Company. His present tenure as Managing Director commenced from 1 st April 2022 for a period of 5 years. Currently he is responsible for overall operations of the entire organisation.
Past Remuneration	Kindly refer to the Corporate Governance Report.
Recognition/Awards	For nearly three decades Sri Sanjay Jayavarthanavelu has been both a Member and/ or Chairman of various prestigious industrial bodies/ association. He has also been suitably recognised by various forums/ industrial bodies/ association(s) for his contribution to the cause of industrial growth and development.
Job Profile and Suitability	Sri Sanjay Jayavarthanavelu as Chairman and Managing Director shall have all the powers and duties as the Board may determine from time to time. He has nearly three decades of suitable experience in the fields of textile, textile engineering, machine tools, foundry, aerospace, logistics, finance and administration.
Remuneration Proposed	The details of the remuneration proposed to be paid to Sri Sanjay Jayavarthanavelu has been set out in Item No. 5 of the Notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his/her origin)	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Managerial Personnel in a similar role in other companies.

Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	Sri Sanjay Jayavarthanavelu is the Promoter of the Company. He is related to Sri Jaidev Jayavarthanavelu, Wholetime Director of the Company.
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b. Sri S Pathy, Non-Executive and Non-Independent Director

Background Details	Has about five decades of experience in the fields of textile, textile engineering, finance and administration.
Past Remuneration	Kindly refer to the Corporate Governance Report.
Recognition/Awards	Has been recognised by suitable forums/ industrial bodies/ association(s) for his contribution towards industrial growth and development.
Job Profile and Suitability	As the Non-Executive and Non-Independent Director on the Board, he has all the powers and duties as the Board may determine from time to time. He possesses skill sets as detailed in the Corporate Governance Report which are commensurate with the Board position held in the Company.
Remuneration Proposed	The details of the remuneration proposed to be paid has been set out in Item No. 4 of the Notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his/her origin)	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Board Members in a similar role in other companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	He is a part of the Promoter Group. No pecuniary relationship with any other Director and/or Key Managerial Personnel of the Company.

c. Sri Aroon Raman, Independent Director

Background Details	Has over three decades of experience in varied fields of technology, operations, general management, research & development
Past Remuneration	Kindly refer to the Corporate Governance Report.
Recognition/Awards	Has been recognised by suitable forums/ industrial bodies/ association(s) for his contribution towards industrial growth and development.
Job Profile and Suitability	As an Independent Director on the Board, he has all the powers and duties as the Board may determine from time to time. He possesses skill sets as detailed in the Corporate Governance Report which are commensurate with the Board position held in the Company.
Remuneration Proposed	The details of the remuneration proposed to be paid has been set out in Item No. 4 of the Notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his/her origin)	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Board Members in a similar role in other Companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	He is not directly/indirectly related to any other Director and/or Key Managerial Personnel of the Company.

d. Sri Arun Alagappan, Independent Director

Background Details	He has two and half decades of varied multi-functional experience across a wide spectrum of industries.
Past Remuneration	Kindly refer to the Corporate Governance Report.
Recognition/Awards	Has been recognised by suitable forums/ industrial bodies/ association(s) for his contribution towards industrial growth and development.
Job Profile and Suitability	As an Independent Director on the Board, he has all the powers and duties as the Board may determine from time to time. He possesses skill sets as detailed in the Corporate Governance Report which are commensurate with the Board position held in the Company.
Remuneration Proposed	The details of the remuneration proposed to be paid has been set out in Item No. 4 of the Notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his/her origin)	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Board Members in a similar role in other Companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	He is not directly/indirectly related to any other Director and/or Key Managerial Personnel of the Company.

e. Dr Mukund Govind Rajan, Independent Director

Background Details	Has suitable experience in the fields of Corporate Governance, Management & Administration.
Past Remuneration	Kindly refer to the Corporate Governance Report.
Recognition/Awards	Has been recognised by suitable forums/ industrial bodies/ association(s) for his contribution towards industrial growth and development.
Job Profile and Suitability	As an Independent Director on the Board, he has all the powers and duties as the Board may determine from time to time. He possesses skill sets as detailed in the Corporate Governance Report which are commensurate with the Board position held in the Company.
Remuneration Proposed	The details of the remuneration proposed to be paid has been set out in Item No. 4 of the Notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his/her origin)	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Board Members in a similar role in other Companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	He is not directly/indirectly related to any other Director and/or Key Managerial Personnel of the Company.

f. Sri Aditya Himatsingka, Independent Director

Background Details	Has suitable experience in the fields of textile, textile engineering, finance and administration.
Past Remuneration	Kindly refer to the Corporate Governance Report.

Recognition/Awards	Has been recognised by suitable forums/ industrial bodies/ association(s) for his contribution towards industrial growth and development.
Job Profile and Suitability	As an Independent Director on the Board, he has all the powers and duties as the Board may determine from time to time. He possesses skill sets as detailed in the Corporate Governance Report which are commensurate with the Board position held in the Company.
Remuneration Proposed	The details of the remuneration proposed to be paid has been set out in Item No. 4 of the Notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his/her origin)	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Board Members in a similar role in other Companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	He is not directly/indirectly related to any other Director and/or Key Managerial Personnel of the Company.

g. Justice (Smt) Chitra Venkataraman (Retd.), Independent Woman Director

Background Details	Has suitable experience in the fields of Law & Administration. Is a retired Judge of the Madras High Court.
Past Remuneration	Kindly refer to the Corporate Governance Report.
Recognition/Awards	Has been recognised by suitable forums/association(s) for her contribution to the legal profession.
Job Profile and Suitability	As an Independent Director on the Board, she has all the powers and duties as the Board may determine from time to time. She possesses skill sets as detailed in the Corporate Governance Report which are commensurate with the Board position held in the Company.
Remuneration Proposed	The details of the remuneration proposed to be paid has been set out in Item No. 4 of the Notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his/her origin)	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Board Members in a similar role in other Companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	She is not directly/indirectly related to any other Director and/or Key Managerial Personnel of the Company.

h. Sri Venkataramani Anantharamakrishnan (proposed to be appointed as an Independent Director, subject to approval from Shareholders, with effect from 5th August 2024)

Background Details	Has suitable experience in the fields of Technical, Management, Projects and Human Resources.
Past Remuneration	Nil
Recognition/Awards	Has been recognised by suitable forums/association(s) for his contribution to Human Resources.
Job Profile and Suitability	As an Independent Director on the Board, he will have all the powers and duties as the Board may determine from time to time.
Remuneration Proposed	The remuneration payable upon appointment as an Independent Director shall be in line with the details of the remuneration proposed to be paid as set out in Item No. 4 of the Notice.

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his/her origin)	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid/proposed to be paid is commensurate with the remuneration package paid to Board Members in a similar role in other Companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	He is not directly/indirectly related to any other Director and/or Key Managerial Personnel of the Company.

- i. Smt Pushya Sitaraman, (proposed to be appointed as an Independent Woman Director, subject to approval from Shareholders, with effect from 5th August 2024)

Background Details	Has suitable experience in the fields of Law, Taxation & Administration.
Past Remuneration	Nil
Recognition/Awards	Has been recognised by suitable forums/association(s) for her contribution to the legal profession.
Job Profile and Suitability	As an Independent Director on the Board, she will have all the powers and duties as the Board may determine from time to time.
Remuneration Proposed	The remuneration payable upon appointment as an Independent Director shall be in line with the details of the remuneration proposed to be paid as set out in Item No. 4 of the Notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his/her origin)	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Board Members in a similar role in other Companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any	She is not directly/indirectly related to any other Director and/or Key Managerial Personnel of the Company.

III. OTHER INFORMATION

1. Reasons for loss or inadequate profits

Not applicable as the Company has earned a profit during the year. However, the Company foresees a situation where it may have loss or inadequacy of profits in the ensuing financial years owing to economic and business slowdown caused by various external factors.

2. Steps taken or proposed to be taken for improvement.

Not applicable

3. Expected increase in productivity and profits in measurable terms.

Not applicable

IV. DISCLOSURES

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors:

Please refer to the Section titled "Directors Remuneration" as contained in the Corporate Governance Report.

(ii) Details of fixed component and performance linked incentives along with the performance criteria:

Please refer to the Section titled "Directors Remuneration" as contained in the Corporate Governance Report.

(iii) Service contracts, notice period, severance fees:

Please refer to the Section titled "Directors Remuneration" as contained in the Corporate Governance Report.

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:

The Company has not issued any Stock Options.

Board of Directors' Report to Shareholders

Dear Shareholders,

The Board of Directors of your Company are pleased to present the 61st Annual Report on the Business of the Company along with the Standalone summary of Financial Statements for the year ended 31st March 2024.

1. The State of Affairs of the Company, Reserve and Dividend

The Board has prepared its report based on the Standalone Financial Statements of the Company and the Annual Report contains a separate section wherein a report on the Performance and Financial position of its Wholly Owned Subsidiary Companies are presented in Form AOC-1.

Financial Summary/highlights and transfer to General Reserve

(₹ in Crores)

Sl. No	Particulars	Current Year 2023-24	Previous Year 2022-23
1	Total Income	4,738.94	4,689.26
2	Operating Expenses	4,167.32	4,130.42
3	Exceptional Items	-	-
4	Gross Profit	571.62	558.84
5	Depreciation	91.74	73.43
6	Profit before Tax	479.88	485.41
7	Provision for Tax	108.50	135.20
8	Net Profit after Tax	371.38	350.21

The Company's Gross Turnover is at ₹4,520.17 Crores during the year compared to ₹4,456.69 Crores in the previous year.

TRANSFER TO RESERVE:

The Company has transferred a sum of ₹37 Crores out of the current year profits to the General Reserve.

Dividend:

The Board recommends a dividend of ₹75/- per Equity Share having a face value of ₹10/- each (750%) on the Equity Share Capital of ₹10,68,30,000/- for the year ended on 31st March 2024 aggregating to ₹80.12 Crores. As per Finance Act, 2020, the Dividend is taxable in the hands of the Shareholders. Dividend on Equity Shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting.

The Unclaimed Dividend relating to the Financial Year 2016-17, is due for transfer during October 2024 to the Investor Education and Protection Fund (IEPF) established by the Central Government. During the year under review, as per the requirements of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules) 200 Equity Shares of ₹10/- each on which Dividend had remained Unclaimed

for a period of 7 years has been transferred to the credit of the Demat Account identified by the IEPF Authority. As on 31st March 2024, 53,536 Equity Shares of the Company were in the credit of the Demat Account of the IEPF Authority.

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy which has been duly approved by the Board of Directors. A copy of the Dividend Distribution Policy is available on the Company's website www.lmwglobal.com.

STATE OF AFFAIRS OPERATIONS

A detailed overview of the global and Indian economy has been provided in the Management Discussion and Analysis Report. Also, the state of affairs of each division during the year under review has been provided in detail within the same report.

Overall, the Company's Gross Turnover increased by 1.42% from ₹4,456.69 Crores in 2022-23 to ₹4,520.17 Crores in 2023-24; the Profit before exceptional items and Tax stood at ₹479.88 Crores in FY 2023-24 as against ₹485.41 Crores in FY 2022-23.

The Net Profit after Tax for Financial Year 2023-24 was ₹371.38 Crores as against ₹350.21 Crores for the FY 2022-23.

FOUNDRY DIVISION (FDY)

The Foundry Division reported a Turnover of ₹105.18 Crores in 2023-24 as against ₹95.70 Crores registered in 2022-23, an increase of 9.90%. Exports accounted for 18.40% of the division's Turnover.

TEXTILE MACHINERY DIVISION (TMD)

During the year under review, the Textile Machinery Division had a Turnover of ₹3,440.96 Crores in 2023-24 as against ₹3,486.99 Crores registered in 2022-23, a decrease of 1.32% over the previous year.

MACHINE TOOL DIVISION (MTD)

The Machine Tool Division reported a Turnover of ₹831.89 Crores in 2023-24 as against ₹779.19 Crores registered in 2022-23, an increase of 6.76% over the previous year.

ADVANCED TECHNOLOGY CENTRE (ATC)

Advanced Technology Centre had a Turnover of ₹142.14 Crores in 2023-24 as against ₹94.81 Crores achieved in 2022-23. Other income during the period under review was ₹18.05 Crores as against ₹15.94 Crores in the previous year.

RENEWABLE ENERGY DIVISION

The Company has a policy of tapping renewable resources for power generation. The Company has the necessary infrastructure in place to generate electricity from wind and solar resources. This helps the Company to meet its own energy requirements mostly from sustainable sources.

As on 31st March 2024, the Company had 28 Wind Energy Generators (WEG) with a total power generation capacity of 36.80 MW. Cumulatively, windmills have generated 745.92 Lakh units of power during 2023-24.

During the year under review, in the month of January 2024, the Company had installed 5MW of new Solar Power Generating facility at Vadasithur, Coimbatore, Tamil Nadu. Including this new addition, the Company has in total 15MW of Solar Power Generating capacity. As on 31st March 2024 these facilities have generated 231.43 Lakh units of power.

About 77.76% of energy demand of the Company has been met through renewable energy and thereby helping the Company to reduce its power cost and its carbon footprint.

OTHER DEVELOPMENTS

The Company had entered into a Joint Development Agreement with M/s Infinium Developers LLP to develop residential villas and apartments on the Company's land measuring 4.21 acres located at Keeranatham Village, Annur Taluk, Coimbatore District. The Company will have a revenue share of 24.50% from residential villas and 17.50% from

residential apartments in the proposed project. Parties to the agreement are in the process of obtaining necessary statutory approvals and the project is yet to commence.

EXPORTS

The Export Turnover of the Company during the year under review is as follows:

(₹ in Crores)		
Particulars	2023-24	2022-23
Textile Machinery	564.46	859.48
CNC Machine Tools	2.73	6.73
Castings	19.40	22.05
Aerospace Parts	132.25	87.08
Total Exports	718.84	975.34

Export of Textile Machinery as stated above includes exports worth ₹178.18 Crores made to its Wholly Owned Subsidiary Companies, LMW Textile Machinery (Suzhou) Co. Ltd., China and LMW Global FZE (formerly known as LMW Middle East FZE), United Arab Emirates. Amongst other countries, the Company's products are primarily exported to countries in Asia and Africa.

RESEARCH AND DEVELOPMENT

The Research and Development efforts of the Company are focused on:

1. Developing eco-friendly, sustainable, energy efficient, low carbon footprint technology.
2. Developing technology for production of innovative machinery.
3. Developing end-use products at optimal cost.

Separate Research and Development units have been established for the development of Textile Machinery and CNC Machine Tools. Both these 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, the Company has filed applications for 7 new patents in India. Further, 26 patent applications were filed in overseas countries for which applications were already filed by the Company in India. Also, during the period under review, the Company has filed 3 applications in India and 4 applications were filed in overseas countries for Industrial Design.

AWARDS

Some of the important awards bagged by the Company during the Financial Year 2023-24:

1. CII recognition of the Company as one among the Top 50 innovative companies in India.
2. Textile Machinery Manufacturers Association's Segment Export Award for the year 2022-23.

3. Textile Machinery Manufacturers Association's R&D Award for the products Card LC631S and LC636S

During the year under review, the Company's Foundry Division has received the GreenCo Platinum certification from the Confederation of Indian Industry..

INDUSTRIAL RELATIONS

Relationship with employees were cordial throughout the year.

SUBSIDIARY COMPANIES

I. LMW TEXTILE MACHINERY (SUZHOU) CO. LTD., CHINA

The Turnover of the Company during the year under review was ₹27.63 Crores as against ₹272.22 Crores achieved during the previous year. During the year, the Company had incurred a Net Loss of ₹12.65 Crores as against a Net Profit of ₹23.76 Crores during the previous year.

II. LMW AEROSPACE INDUSTRIES LIMITED, INDIA

As on date of this report, the Company is yet to commence its operations.

III. LMW GLOBAL FZE, UNITED ARAB EMIRATES

During the year under review, the name of the Company was changed from "LMW Middle East FZE" to "LMW Global FZE".

The Turnover of the Company during the year under review was ₹249.13 Crores as against ₹120.49 Crores achieved during the previous year. During the year, the Company has achieved a Net Profit of ₹14.93 Crores as against a Net Profit of ₹8.12 Crores during the previous year.

The Consolidated Financial Statements incorporating the Financial Statements of the Wholly Owned Subsidiary Companies are attached to the Annual Report as required under the applicable Indian Accounting Standard(s) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The English translated version of the Standalone Annual Financial Statements of LMW Textile Machinery (Suzhou) Co. Ltd, China, Wholly Owned Subsidiary Company is posted on the Company's website along with the Annual Financial Statements of other Wholly Owned Subsidiary Companies, namely, LMW Aerospace Industries Limited, India and LMW Global FZE, United Arab Emirates. Besides LMW Textile Machinery (Suzhou) Co. Ltd., LMW Aerospace Industries Limited and LMW Global FZE, the Company does not have any other Subsidiary/ Joint Venture / Associate Company.

2. Annual Return

The Annual Return of the Company for the Financial Year 2023-24 as required under Section 92(3) of the Act is available on the website of the Company and can be accessed on the Company's website at the link <https://www.lmwglobal.com/investors/financial-and-meeting-information/annual-general-meeting.html>.

3. Number of Meetings of the Board

During the year under review, four (4) Meetings of the Board of Directors were held. Further details regarding the number of Meetings of the Board of Directors and Committees thereof and the attendance of the Directors at such Meetings are provided under the Corporate Governance Report.

4. Directors' Responsibility Statement

The Directors, based on representation received from the Operating Management, confirm that:

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) Have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss of the Company for that period;
- c) Have taken proper and sufficient care for 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;
- d) Have prepared the annual accounts on a going concern basis;
- e) Have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) Have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and are operating effectively.

5. Share Capital

Authorised Share Capital	5,00,00,000 Equity Shares of ₹10/- each
Issued, Subscribed and Paid-up Share Capital	1,06,83,000 Equity Shares of ₹10/- each

During the year under review, the Company

- Has not issued Equity Shares with differential rights as to dividend, voting or otherwise.
- Has not issued Equity Shares (including Sweat Equity Shares) to employees of the Company, under any scheme.
- Has not resorted to any buyback of the Equity Shares.

6. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

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

7. Nomination and Remuneration Committee and Policy

The Nomination and Remuneration Committee of Directors has been formed and has been empowered and authorised to exercise power as entrusted under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (both as amended from time to time). The Company has a policy on Directors' / Senior Management appointment and remuneration which specifies criteria for determining the qualification, positive attributes for Senior Management and Directors. The policy also specifies the criteria for the determination of independence of a Director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Policy is available on the Company's website at: <https://www.lmwglobal.com/investors/Policies.html>

8. Declaration by Independent Directors

The Independent Directors have submitted their disclosures to the Board indicating that they comply with all the requirements that are stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 so as to qualify themselves to act as Independent Directors in the Company. Further, they have also declared that they

are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Independent Directors of the Company have complied with the requirements of the provisions in relation to the Independent Directors Databank as stated in the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time.

9. Explanation and Comments on Audit Report

The report of the Statutory Auditors (appearing elsewhere in this Annual Report) is self-explanatory having no adverse comments. In respect of the observation made by the Secretarial Auditors the same is self-explanatory. The Secretarial Audit Report is annexed hereto as Annexure-1.

Further, the Secretarial Compliance Report for the financial year ended on 31st March 2024 will be filed with the Stock Exchanges in which the Company's equity shares are listed.

There were no instances of fraud reported by the Auditors to the Central Government or to the Audit Committee of the Company as indicated under the provisions of Section 143 (12) of the Companies Act, 2013.

10. Particulars of Loans / Guarantee / Investments / Deposits

The Company has no Inter-Corporate Loans / Guarantees. Information on investments of the Company in the Shares of other companies is provided under notes to Balance Sheet appearing elsewhere in this Annual Report. The amount of investment made by the Company does not exceed the limits as specified in Section 186 of the Companies Act, 2013. The Company has not accepted any Fixed Deposits.

11. Particulars of Contracts with Related Parties

All the transactions of the Company entered into with its Related Parties are at arm's length basis and have taken place in the ordinary course of business. Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had obtained the approval of the Shareholders to enter into material related party transactions with one of its related parties.

The particulars of Material Related Party Transactions which are at arm's length basis is provided in Form AOC-2 and the same is annexed to the Boards' Report as Annexure -2. A copy of the Related Party Transaction Policy of the Company is available on the Company's website www.lmwglobal.com

12. Material Changes

There are no Material Changes or Commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial year ended 31st March 2024 relate and the date of the report.

14. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

The particulars pursuant to Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 are as under:

STATEMENT FOR CONSERVATION OF ENERGY:

Sl. No	Particulars	Related Disclosures
(A)	Conservation of Energy	
(i)	the steps taken or impact on conservation of energy	Company has invested in energy conservation devices to save power as detailed in point (iii) below.
(ii)	the steps taken by the Company for utilising alternate sources of energy.	Company has installed windmills with a capacity of 36.80 MW. The Company also has a photo-voltaic solar power generating facility with an installed capacity of 15 MW. The Company uses electricity generated from renewable sources for captive power consumption.
(iii)	the capital investment on energy conservation equipment.	An amount of ₹28.50 Crores has been invested in renewable energy during 2023-24 for increasing the renewable energy generation by additional one crore energy units. An amount of ₹50 Lakhs has been invested in Foundry Division, for installing an energy efficient compressor, resulting in savings of ₹34.70 Lakhs. Also in the Foundry Division Compressor airline leakages were corrected and a savings of ₹40.13 Lakhs was achieved. In the Textile Machinery Division energy efficient pump motor, VFD drives for motors and exhaust, LED bulbs, BLDC fans were installed, and screw compressor replacement was done. Also, use of diesel in canteen and powder coating facility was eliminated, thereby use of about 1,49,600 litres of diesel was avoided. This resulted in total cost savings of ₹1.41 Crores and resulted in reduction of 1,540 ton/year of CO ₂ emissions.

13. Scheme of Arrangement

During the review period, the Board of Directors of the Company, considering the evolving business landscape, approved the proposal for withdrawing the Scheme of Arrangement between the Company and its wholly owned subsidiary, LMW Aerospace Industries Limited. This scheme was previously pending before the Honourable National Company Law Tribunal, Chennai Bench (NCLT). Following the Board's decision, the Company submitted an application to the NCLT seeking withdrawal of the Scheme of Arrangement. Subsequently, the NCLT issued an order approving the withdrawal. The Company has duly communicated this development to the Stock Exchanges.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(B1) Technology Absorption - Foundry Division

(i) Efforts made towards technology absorption;	Technical lectures in multiple subjects and specialisation/skill building exercises, visit to benchmark foundries & participation in Indian Institute of Foundrymen seminars and exhibitions to absorb the best practices and new technology.
(ii) Benefits derived like product improvement, cost reduction, product development or import substitution;	<ol style="list-style-type: none"> 1. Ability to build heavy parts like Housing, Adaptor Flange and Bearing Flange for windmills. 2. Ability to build heavy parts like Hub for automobile industry. 3. Alternative coating for core / mould that provide cost advantage were developed. 4. Enhanced ability to make use of reclaimed sand. 5. System developed for collection & disposal of dust through jumbo bags.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): <ol style="list-style-type: none"> a. the details of technology imported; b. the year of import; c. whether the technology has been fully absorbed; d. if not fully absorbed, areas where absorption has not taken place, and the reason thereof 	Nil
(iv) Expenditure incurred on Research and Development	Capital Expenditure: Nil Revenue Expenditure: Nil Total: Nil

(B2) Technology Absorption - Textile Machinery Division

(i) Efforts made towards technology absorption;	<ol style="list-style-type: none"> 1. Technical guest lectures in various subjects and specialisations/skill building exercises, in-depth IPR analysis and review, theoretical simulation. 2. Adoption of IoT technology for industry 4.0 readiness.
(ii) Benefits derived like product improvement, cost reduction, product development or import substitution;	<ol style="list-style-type: none"> 1. Development of Smart machines that are capable of self-correction to ensure quality output. 2. Improved automation across machinery to address the shortage of skilled manpower. 3. Development of Spinconnect platform encompassing IOT / AI. 4. Reduction in power consumption by machinery. 5. Import substitution of spindle inserts and yarn catcher. 6. Continuous value engineering efforts to control the cost despite inflation.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): <ol style="list-style-type: none"> a. the details of technology imported; b. the year of import; c. whether the technology has been fully absorbed; d. if not fully absorbed, areas where absorption has not taken place, and the reason thereof; 	Nil
(iv) Expenditure incurred on Research and Development	Capital Expenditure: ₹4.98 Crores Revenue Expenditure: ₹30.11 Crores Total: ₹35.09 Crores

(B3) Technology Absorption - Machine Tool Division

(i) Efforts made towards technology absorption;	Technical guest lectures in various subjects and specialisations / skill building exercises, in-depth IPR analysis and review, theoretical simulation.
(ii) Benefits derived like product improvement, cost reduction, product development or import substitution;	Product Improvement: Rigidity improvement in Turning Centre / Machining Centre, development / upgrade in product range to bridge product gaps. New Products under development: New products are being developed in the product verticals / variants such as CNC Turning Centre, Horizontal Machining Centre and Vertical Machining Centre.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): a. the details of technology imported; b. the year of import; c. whether the technology has been fully absorbed; d. if not fully absorbed, areas where absorption has not taken place, and the reason thereof;	Nil
(iv) Expenditure incurred on Research and Development	Capital Expenditure: Nil Revenue Expenditure: ₹4.86 Crores Total: ₹4.86 Crores

(B4) Technology Absorption - Advanced Technology Centre

(i) Efforts made towards technology absorption;	1. Technical guest lectures on various subjects and specialisations/skill building exercises. 2. Engaging with start-ups that are developing novel products leads to understanding of emerging technologies.
(ii) Benefits derived like product improvement, cost reduction, product development or import substitution;	1. Manufacture/development of components and sub-assemblies using metal/composite materials. 2. Identifying and developing the critical & high-value adding processes in-house.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): a. the details of technology imported; b. the year of import; c. whether the technology has been fully absorbed; d. if not fully absorbed, areas where absorption has not taken place, and the reason thereof;	Nil
(iv) Expenditure incurred on Research and Development	Capital Expenditure: Nil Revenue Expenditure: Nil Total: Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(₹ in Crores)
Foreign Exchange Earned	720.81
Foreign Exchange Outgo	374.71

15. Risk Management

The Company follows a comprehensive and integrated risk appraisal, mitigation and management as stated in its Risk Management Policy. The identified elements of Risk and Risk Mitigation measures are periodically reviewed / revised by the Board of Directors as and when the need arises. The Board of Directors have also constituted a Risk Management Committee to oversee the Risk Management process.

16. Corporate Social Responsibility (CSR)

The Company has constituted a CSR Committee of the Board of Directors and has adopted a CSR Policy. The same is posted on the Company's website www.lmwglobal.com. A report in the prescribed format detailing the CSR expenditure for the Financial Year 2023-24 is attached herewith as Annexure - 3 and forms a part of this report.

17. Evaluation of Board's Performance

On the advice of the Board of Directors, the Nomination and Remuneration Committee of the Board of Directors of the Company have formulated the criteria for evaluation of the performance of each individual Director, Board as a whole, Committees of the Board, Independent Directors, Non-Independent Directors and the Chairman of the Board based on the criteria of evaluation as specified by SEBI. Based on these criteria the performance evaluation process has been undertaken. The Independent Directors of the Company had also convened a separate Meeting for this purpose on 12th February 2024. The results from this evaluation process have been communicated to the Chairman of the Board of Directors.

18. Directors and Key Managerial Personnel

The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 27th May 2024, after considering the qualifications, credentials and the required criteria as per statutory requirements, have recommended to the Shareholders for their approval, the proposal for appointment of:

1. Sri Venkataramani Anantharamakrishnan (DIN: 00277816), as an Independent Director of the Company for a period of 5 consecutive years commencing from 5th August 2024 and not liable to retire by rotation.

2. Smt Pushya Sitaraman (DIN: 06537196), as an Independent Woman Director of the Company for a period of 5 consecutive years commencing from 5th August 2024 and not liable to retire by rotation.

Further details and information regarding the same can be found in the Notice to Shareholders forming a part of the Annual Report.

The following changes happened during the period under review:

1. Sri K Soundhar Rajhan (DIN: 07594186), retired by rotation at the 60th Annual General Meeting held on 31st July 2023, The vacancy caused on account of his resignation was not filled by the Board.
2. Sri Jaidev Jayavarthanelu (DIN: 07654117) was appointed as Wholetime Director of the Company by the Board of Directors at their meeting held on 24th May 2023, for a period of Five years commencing from 7th August 2023 and the same was approved by the Shareholders at the 60th Annual General Meeting of the Company held on 31st July 2023.
3. Sri M Sankar (DIN: 10362673) was appointed as Wholetime Director (designated as Director Operations) by the Board of Directors at their meeting held on 25th October 2023, for a period of Three (3) years commencing from 25th October 2023, subject to the approval of the Shareholders. The approval from Shareholders was subsequently obtained through Postal Ballot dated 16th December 2023.
4. Sri T C Suseel Kumar (DIN: 06453310) resigned from the post of Nominee Director of Life Insurance Corporation of India with effect from 26th January 2024, on completion of his nomination tenure.

Besides the above changes, there were no other changes in the Directors and Key Managerial Personnel of the Company.

Sri S Pathy (DIN: 00013899), who retires by rotation at the ensuing Annual General Meeting, being eligible offers himself for reappointment. The Board recommends his reappointment.

19. Audit Committee / Whistle Blower Policy

The Audit Committee was formed by the Board of Directors, and it consists of:

1. Dr Mukund Govind Rajan, Chairman (Non-Executive and Independent)

2. Sri Aditya Himatsingka, Member (Non-Executive and Independent)
3. Justice (Smt) Chitra Venkataraman (Retd.), Member (Non-Executive and Independent)

The Board has accepted the recommendations of the Audit Committee and there was no incident of deviation from such recommendations during the Financial Year under review. The Company has devised a vigil mechanism in the form of a Whistle Blower Policy in pursuance of provisions of Section 177(10) of the Companies Act, 2013 and details thereof is available on the Company's website at www.lmwglobal.com. During the year under review, there were no complaints received under this mechanism.

22. Overall Maximum Remuneration

Particulars pursuant to Section 197(12) and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules:

- a. The ratio of the remuneration of each Director to the median employee's remuneration for the Financial Year and such other details as prescribed is as given below:

Director	Category of Directorship	Ratio
Sri Sanjay Jayavarthanavelu	Executive and Non -Independent	249.48
Sri S Pathy	Non-Executive and Non-Independent	1.15
Sri Aditya Himatsingka	Non-Executive and Independent	1.15
Dr Mukund Govind Rajan	Non-Executive and Independent	1.15
Sri T C Suseel Kumar ¹ (until 26 th January 2024)	Non-Executive and Non-Independent, Nominee of Life Insurance Corporation of India (LIC)	1.15
Justice (Smt) Chitra Venkataraman (Retd.)	Non-Executive and Independent (Woman)	1.15
Sri Arun Alagappan	Non-Executive and Independent	1.15
Sri K Soundhar Rajhan (until 31 st July 2023)	Executive and Non-Independent	6.61
Sri Aroon Raman	Non-Executive and Independent	1.15
Sri Jaidev Jayavarthanavelu (with effect from 07 th August 2023)	Executive and Non-Independent	7.66
Sri M Sankar (with effect from 25 th October 2023)	Executive and Non-Independent	7.70

Note: Sitting Fees paid to the Directors is not considered as remuneration.

¹Sitting fee amount was paid to Sri T C Suseel Kumar and the Commission amount was paid to Life Insurance Corporation of India (LIC) based on communication received from LIC.

- b. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year:

Director	Category of Directorship	% increase
Sri Sanjay Jayavarthanavelu	Executive and Non-Independent	-3.46
Sri S Pathy	Non-Executive and Non-Independent	-
Sri Aditya Himatsingka	Non-Executive and Independent	-
Dr Mukund Govind Rajan	Non-Executive and Independent	-
Sri T C Suseel Kumar ¹ (until 26 th January 2024)	Non-Executive and Non-Independent, Nominee of Life Insurance Corporation of India (LIC)	-
Justice (Smt) Chitra Venkataraman (Retd.)	Non-Executive and Independent (Woman)	-
Sri Arun Alagappan	Non-Executive and Independent	-

20. Prevention of Sexual Harassment of Women at the Workplace

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Information regarding the same is also provided in the Corporate Governance Report forming part of Directors' Report.

21. Listing of Shares

The Shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited. Applicable listing fees have been paid up to date. The Shares of the Company have not been suspended from trading at any time during the year by the concerned Stock Exchanges.

Director	Category of Directorship	% increase
Sri K Soundhar Rajhan ² (until 31 st July 2023)	Executive and Non-Independent	NA
Sri Aroon Raman ³	Non-Executive and Independent	NA
Sri Jaidev Jayavarthanavelu ⁴ (with effect from 7 th August 2023)	Executive and Non-Independent	NA
Sri M Sankar ⁵ (with effect from 25 th October 2023)	Executive and Non-Independent	NA
Key Managerial Personnel	Designation	% increase
Sri V Senthil	Chief Financial Officer	10.05
Sri C R Shivkumaran	Company Secretary	5.70

¹ Sitting fee amount was paid to Sri T C Suseel Kumar and the Commission amount was paid to Life Insurance Corporation of India (LIC) based on communication received from LIC.

² Retired from the Board on 31st July 2023. Hence not comparable with previous year.

³ Previous year commission was paid for a part of the year.

⁴ Was designated as Non-Executive and Non-Independent Director until 6th August 2023.

⁵ Previous year figures not available.

Note: Sitting fees paid to the Directors is not considered as remuneration. The remuneration details are for the year 2023-24 (Previous Year: 2022-23).

- The Percentage increase in the median remuneration of employees in the Financial Year: 6.57%
- The number of permanent employees on the rolls of Company: 3,590
- Average percentile increase in the salaries of employees other than the managerial personnel in the last Financial Year is 9%. Average percentile increase in the managerial remuneration is -2% on account of decrease in profit linked remuneration.
- Affirmation that the remuneration is as per the remuneration policy of the Company: Yes
- Particulars of Employees as per [Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel Rules), 2014]:

Particulars of Employees whose salary is not less than Rupees One Crore and Two Lakhs:

Table 1 ^{1, 2 & 3}

Name (Age in Years)	Designation	Remuneration (in ₹)	Qualification	Date of Commencement of employment (experience in years)	Previous Employment
Sri Sanjay Jayavarthanavelu (55 years)	Chairman and Managing Director	21,74,76,580	MBA	03 rd June 1994 (29 years)	-
Sri K Soundhar Rajhan ⁴ (75 years)	Chief Strategy Officer	2,20,51,416	B.Sc	09 th July 1973 (50 years)	The Kovilpatti Lakshmi Roller Flour Mills Limited
Sri M Sankar ⁵ (66 years) (with effect from 25 th October 2023)	Director Operations	1,63,92,885	B.Tech	21 st August 1985 (38 years)	Star Marketing Services Limited
Sri N Krishna Kumar (66 years)	President – ATC & FDY	1,05,76,904	B.E., M.E.	01 st July 1983 (40 years)	-

¹ The remuneration includes the Company's contribution to provident fund, gratuity and perquisites.

² The remuneration details are for the Financial Year 2023-24 and all other particulars are as on 31st March 2024.

³ Also refer to note 2 & 3 under Table 2.

⁴ Was designated as Director Operations until 31st July 2023.

⁵ Was designated as President – TMD till 24th October 2023.

Details of employees in receipt of Remuneration / Salary for any part of the year, at a rate which, in the aggregate, was not less than ₹8,50,000/- per month: Nil

Particulars of Top Ten employees in terms of remuneration drawn: Table 2 ^{1,2,3,4&5}

Name (Age in Years)	Designation	Remuneration (in ₹)	Qualification	Date of Commencement of employment (experience in years)	Previous Employment
Sri V Senthil (45 years)	Chief Financial Officer	82,71,734	B.Com., ACA.	23 rd January 2015 (9 years)	LMW Textile Machinery (Suzhou) Company Limited
Sri R Hari Krishna (54 years)	Vice President - IT	71,83,981	BE.	19 th August 2019 (4 years)	Tata Projects Limited
Sri S Rajasekaran (57 years)	Senior Vice President - TMD, R & D	68,55,147	DTT., AMIE., M. Tech., DBM.	2 nd May 1986 (38 years)	VR Textiles
Sri R Murali (55 years)	Head - TMD Spares & Services	68,06,298	DME., B Tech.	01 st February 2022 (2 years)	Ashok Leyland Ltd
Sri Indraneel Bhattacharya (59 years)	Vice President - MTD - Marketing & Sales	64,89,532	DME.	08 th February 1993 (31 years)	Batliboi & Company Limited
Sri P Ananthan (55 years)	Vice President - Administration	64,24,504	BE.	17 th August 1989 (34 years)	-
Sri Sanjay Ahuja (44 years)	Head - Human Resources	63,96,279	BE., MBA.	03 rd May 2021 (3 years)	TVS Motor Company Limited
Sri Jaidev Jayavarthanavelu ⁵ (25 years)	Wholetime Director	63,23,226	BA (Hons).	7 th August 2023	-
Ms Shah Sonal Manilal (41 years)	Senior General Manager – IT Digital Marketing	60,61,632	BA., PGDBM (Marketing).	17 th August 2022 (1 year)	Seclore Technology Private Limited
Sri P Elangovan (50 years)	Associate Vice President	58,59,671	DME., B Tech., MS., PG Diploma.	07 th May 2018 (6 years)	Wabco India Limited

¹ The remuneration includes Company's contribution to provident fund, gratuity and perquisites. The nature of employment of the employees is as per their terms of appointment.

² As at 31st March 2024, no employee is a relative (in terms of the Companies Act, 2013) of any other Director of the Company.

³ No employee of the Company is covered by Rule 5(2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, that is employee, holding by himself or along with his spouse and dependent children, shares of 2% or more in the Company and drawing remuneration in excess of the remuneration paid to Chairman and Managing Director.

⁴ The remuneration details are for the Financial Year 2023-24 and all other particulars are as on 31st March 2024.

⁵ Appointed as Wholetime Director with effect from 7th August 2023. Sri Jaidev Jayavarthanavelu is the son of Sri Sanjay Jayavarthanavelu, Chairman and Managing Director.

23. Corporate Governance

As per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company is provided elsewhere in this Report. A report of the Statutory Auditors of the Company confirming the compliance of conditions of Corporate Governance as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report as Annexure - 4 and forms a part of the report.

24. Auditors

Statutory Auditor

Consequent to the approval of the Shareholders at their Annual General Meetings held during 2021 & 2022 respectively, M/s S Krishnamoorthy & Co., Chartered Accountants, with Sri B Krishnamoorthi and / or Smt V Indira as signing partners were appointed as Statutory Auditors of the Company for a second term of 5 (five) consecutive financial years commencing from the financial year 2021-22 and shall hold office

from the conclusion of 58th Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held during the year 2026.

M/s S Krishnamoorthy & Co., Chartered Accountants, Coimbatore, with Sri B Krishnamoorthi and/or Smt V Indira as signing partner have consented and confirmed their eligibility and desire to continue as Statutory Auditors of the Company for the Financial Year 2024-25.

Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended), the Board of Directors, on the recommendation of the Audit Committee have appointed Sri A N Raman, Practicing Cost Accountant, Chennai, as the Cost Auditor of the Company for the Financial Year 2024-25. The remuneration payable to the Cost Auditor is subject to ratification of Shareholders at the ensuing Annual General Meeting.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s MDS & Associates LLP, Company Secretaries, Coimbatore to undertake the Secretarial Audit of the Company for the Financial Year 2024-25.

25. Business Responsibility and Sustainability Report

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant SEBI Circulars, the Business Responsibility and Sustainability Report of the Company for the year ended 31st March 2024 is annexed as Annexure - 5 and forms an integral part of the Annual Report.

26. Compliance with Secretarial Standards

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

27. Additional Information

As per Rule 8(5) of the Companies (Accounts) Rules, 2014 the following additional information is provided:

(i) The financial summary or highlights.	The financial highlights including information on the state of affairs of the Company, dividend and reserve have been provided elsewhere in this report.
(ii) The change in the nature of business, if any.	There is no change in the business line of the Company.
(iii) The names of Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year.	No changes.
(iv) The details relating to deposits, covered under Chapter V of the Companies Act, 2013.	The Company has not accepted any amount which falls under the purview of Chapter V of the Companies Act, 2013.
(v) The details of deposits which are not in compliance with the requirements of Chapter V of the Act.	Not Applicable.
(vi) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.	Nil.
(vii) The details in respect of adequacy of financial internal controls with reference to the Financial Statements.	Procedures are set to detect and prevent frauds and to protect the organisation's resources, both physical (e.g., machinery and property) and intangible (e.g., reputation or Intellectual property such as trademarks, patents, etc.,). The Financial Statements are prepared in accordance with the Indian Accounting Standards issued by the Ministry of Corporate Affairs.

(viii) Maintenance of cost records under subsection (1) of Section 148 of the Companies Act, 2013.	Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company was required to maintain cost records. Accordingly, the Company has duly prepared and maintained the Cost Records as mandated by the Central Government.
(ix) A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year.	No Independent Director was appointed by the Company during the financial year 2023-24. Regarding the Independent Directors proposed to be appointed at the forthcoming Annual General Meeting, the Board is of the opinion that the integrity, expertise and experience (including the proficiency) of the proposed individuals/candidates is satisfactory.

28. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

Not applicable

29. Acknowledgments

Your Directors thank all customers for their continued support and patronage. The Directors also thank the Company's Bankers, Selling Agents, Vendors, Central and State Governments for their valuable assistance.

The Directors wish to place on record their appreciation for the cooperation and contribution made by the employees at all levels towards the progress of the Company.

By order of the Board

Sanjay Jayavarthanelu

Chairman and Managing Director

DIN : 00004505

Place : Coimbatore

Date : 27th May 2024

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014 and
Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
LAKSHMI MACHINE WORKS LIMITED
(CIN: L29269TZ1962PLC000463)
SRK Vidyalaya Post, Perianaickenpalayam,
Coimbatore – 641 020

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

Based on our verification of **M/s. LAKSHMI MACHINE WORKS LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.

- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993, regarding the Companies Act and dealing with client and
 - e. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

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

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

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

- During the year under review, the Company had made a delayed submission of proceedings of the Annual General Meeting. However, the Company has submitted an explanation for delay as required under second proviso to Regulation 30(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) to the Stock Exchange(s) on 8th April 2024.

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

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- b. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and
- e. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021.

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

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

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

We further report that

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

Place : Coimbatore
Date : 27th May 2024

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

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

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

We further report that during the period under review, the Company has obtained the permission of the National Company Law Tribunal, Chennai Bench vide order dated 20th September 2023 for withdrawal of the Scheme of Arrangement between the Company and LMW Aerospace Industries Limited (the wholly owned subsidiary) and their respective shareholders pursuant to Sections 230 to 232 of the Companies Act, 2013.

Other than the above, there were no instances of

- Public / Rights / Preferential issue of shares / debentures / sweat equity.
- Redemption / buy-back of securities.
- Major decision taken by the members pursuant to Section 180 of the Companies Act, 2013.
- Foreign technical collaborations.

For **MDS & Associates LLP**
 Company Secretaries

M D Selvaraj
 Managing Partner
 FCS No.: 960; C P No.: 411
 Peer Review No. 3030/2023
 UDIN: F000960F000418113

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

**ANNEXURE TO SECRETARIAL AUDIT REPORT
ISSUED BY COMPANY SECRETARY IN PRACTICE**

To
The Members,
LAKSHMI MACHINE WORKS LIMITED
(CIN: L29269TZ1962PLC000463)
SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore – 641 020

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

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

For **MDS & Associates LLP**
Company Secretaries

M D Selvaraj

Managing Partner

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

Peer Review No. 3030/2023

UDIN: F000960F000418113

Place : Coimbatore
Date : 27th May 2024

FORM AOC-2

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis:

a) Name(s) of the Related Party and nature of relationship:	Lakshmi Electrical Control Systems Limited A Public Limited Company in which Sri Sanjay Jayavarthanavelu, Chairman & Managing Director is a Director and holds along with his relatives, more than 2% of its paid-up Share Capital.
b) Nature of contracts / arrangements / transactions:	Sale/purchase of goods and availing / rendering of services.
c) Duration of the contracts/arrangements/transactions:	For the period from the conclusion of the 60 th Annual General Meeting till the conclusion of the 61 st Annual General Meeting.
d) Salient terms of the contracts or arrangements or transactions including the value, if any:	The Related Party Transactions (RPTs) entered during the period were in the ordinary course of business and at arm's length basis. Value of transaction approved: ₹ 600 Crores
e) Date(s) of approval by the Board, if any:	24 th May 2023
f) Amount paid as advances, if any:	Nil

The above-mentioned transaction was entered into by the Company in its ordinary course of business. The materiality threshold is as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By order of the Board

Place : Coimbatore
Date : 27th May 2024

Sanjay Jayavarthanavelu
Chairman and Managing Director
DIN : 00004505

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ["CSR"] ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024

1. Brief outline on CSR Policy of the Company:

The Company has adopted the CSR Policy as approved by the Board of Directors at their Meeting held on 12th June 2014, the same has been amended from time to time in line with developing statutory requirements. The CSR Policy of Lakshmi Machine Works Limited ("LMW") is reflective of its long held beliefs and commitment towards community development. The CSR Policy of LMW contains principles that guide future CSR projects / programmes / activities, such as prescribing the budgetary limits, scope for CSR activities, the geography within which such activities are to be carried out, procedure for sanction of funds, procedure for obtaining Board approval, monitoring mechanism for projects, programmes and activities etc.

2. Composition of the CSR Committee:

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of CSR Committee Meetings held during the year	Number of CSR Committee Meetings attended during the year
1	Sri Sanjay Jayavarthanavelu	Chairman of CSR Committee - Executive Director		2
2	Sri Aditya Himatsingka	Member - Independent Director	2	1
3	Sri Arun Alagappan	Member - Independent Director		2

3. Web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the Website of the Company.

Details regarding composition of the CSR Committee can be found on the Company's website at: [https://www.lmwglobal.com/pdf/investors1/leadership/committees board/Committees of the Board new.pdf](https://www.lmwglobal.com/pdf/investors1/leadership/committees%20board/Committees%20of%20the%20Board%20new.pdf); a copy of the Company's CSR Policy can be found on the Company's website at: [https://www.lmwglobal.com/pdf/investors1/policies/04 CSR Policy.pdf](https://www.lmwglobal.com/pdf/investors1/policies/04%20CSR%20Policy.pdf); while details of the CSR Projects undertaken by the Company can be found on the Company's website at: <https://www.lmwglobal.com/csr-activities>.

4. Executive Summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 if applicable:

A voluntary impact assessment study was conducted for the community intervention projects implemented in the tribal & rural villages in Coimbatore District. The study was conducted by SEED NGO. The study aims to assess the extent of the impact to the beneficiaries, that are relevant to their needs and to understand their satisfaction. Government schools development, infrastructure development in villages, promotion of livelihood activities for income generation, capacity building of Self Help Groups, health projects, tree plantations, solid waste management project that are implemented were assessed during this study. A copy of the voluntary impact assessment report can be found on the Company's website at: [https://www.lmwglobal.com/pdf/csr/CSR Projects - Impact Assessment Report.pdf](https://www.lmwglobal.com/pdf/csr/CSR%20Projects%20-%20Impact%20Assessment%20Report.pdf)

5. a) Average Net Profit of the Company as per sub-section 5 of Section 135:

₹268.77 Crores

b) Two percent of average Net Profit of the Company as per sub-section 5 of Section 135:

₹5.37 Crores

c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years:

Nil

d) Amount required to be set-off for the Financial Year, if any:

Nil

e) **Total CSR obligation for the Financial Year (5b+5c-5d):** ₹5.37 Crores

6. a) **Amount spent on CSR Projects:** ₹5.38 Crores

b) **Amount spent in Administrative Overheads:** Nil

c) **Amount spent on Impact Assessment, if applicable:** ₹0.10 Crores

d) **Total amount spent for the Financial Year (6a+6b+6c):** ₹5.48 Crores

e) **CSR amount spent or unspent for the Financial Year:**

[in ₹]

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub-section 6 of Section 135		Amount transferred to any fund specified under Schedule VII as per second provision to sub-section 5 of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
5,47,78,950			Nil		

f) **Excess amount for set-off if any:**

Sl. No.	Particulars	Amount [₹ in Crores]
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	5.37
(ii)	Total amount spent for the Financial Year	5.48
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.11
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii) - (iv)]	Nil

7. **Details of Unspent CSR amount for the preceding three Financial Years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section 6 of Section 135 [in ₹]	Balance Amount in Unspent CSR Account Under subsection (6) of Section 135 [in ₹]	Amount Spent in the Financial Year [in ₹]	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years [in ₹]	Deficiency, if any
					[in ₹]	Date of Transfer		
1	FY 2020-21							
2	FY 2021-22							
3	FY 2022-23							

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

No

The details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the Property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address

Not Applicable

9. Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per sub-section 5 of Section 135:

Not Applicable

By order of the Board

Sanjay Jayavarthanelu

Chairman and Managing Director

Chairman - CSR Committee

DIN : 00004505

Place : Coimbatore

Date : 27th May 2024

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE
AS PER SEBI [LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS] REGULATIONS, 2015**

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 2024, as specified in the relevant provisions of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

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 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 SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

On the basis of representation received from the Registrar and Share Transfer Agent (RTA) of the Company and on the basis of the records maintained by the Stakeholders Relationship Committee of the Company, we state that no Investor Grievance is pending for a period exceeding one month.

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

For **S Krishnamoorthy & Co.,**
Chartered Accountants,
Firm Registration No.0014965

B Krishnamoorthi
Partner

Membership No.020439
UDIN: 24020439BKABBU5429

Place : Coimbatore
Date : 27th May 2024

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sl. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Listed Entity	L29269TZ1962PLC000463
2.	Name of the Listed Entity	Lakshmi Machine Works Limited
3.	Year of incorporation	1962
4.	Registered office address	SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore 641 020, Tamil Nadu, India
5.	Corporate office address	34A, Kamaraj Road, Coimbatore - 641 018 Tamil Nadu, India
6.	Email	secretarial@lmw.co.in
7.	Telephone	+91 422 7192255
8.	Website	www.lmwglobal.com
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited (Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001). 2. National Stock Exchange of India Limited (Address: Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra East, Mumbai- 400051).
11.	Paid-up capital	₹10,68,30,000/-
12.	Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report	Sri C R Shivkumaran, Company Secretary E-mail: secretarial@lmw.co.in Phone: +91 422 7198100
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures made under this report are on a standalone basis.
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business activity	% of Turnover of the entity
1	Textile Machinery	Manufacturing	76.12%
2	CNC Machine Tools		18.92%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Textile Machinery	28261	76.12%
2	CNC Machine Tools	28221	18.92%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	10	2	12
International	Nil	5	5

19. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	21 States and 6 Union Territories
International (No. of Countries)	27

b) What is the contribution of exports as a percentage of the total turnover of the entity? Contribution of exports during the Financial Year ended 31st March 2024 is 15.90%

c) A brief on types of customers

Lakshmi Machine Works Limited caters to both public and private sector customers in discrete and process industries including but not limited to Textiles, Aerospace & Defence, Iron & Steel, Automotives, Ports, Power, Railways, Renewables and Transportation.

IV. Employees

20. Details as at the end of Financial Year (as on 31.03.2024):

a) Employees and workers (including differently-abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	2,333	2,243	96.14%	90	3.86%
2	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3	Total employees (D + E)	2,333	2,243	96.14%	90	3.86%
WORKERS						
4	Permanent (F)	1,257	1,257	100.00%	Nil	Nil
5	Other than Permanent (G)	235	232	98.72%	3	1.28%
6	Total workers (F + G)	1,492	1,489	99.80%	3	0.20%

b) Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	1	Nil	Nil	1	100.00%
2	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3	Total differently abled employees (D + E)	1	Nil	Nil	1	100.00%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	8	8	100.00%	Nil	Nil
5	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6	Total differently abled workers (F + G)	8	8	100.00%	Nil	Nil

21. Participation/ Inclusion/ Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.11%
Key Management Personnel*	2	Nil	Nil

* Key Management Personnel other than Board of Directors

22. Turnover rate for permanent employees and workers:

Particulars	Turnover rate in Current FY (2023-24)			Turnover rate in Previous FY (2022-23)			Turnover rate in the year prior to the Previous FY (2021-22)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.27%	16.76%	12.45%	16.05%	20.51%	16.23%	13.94%	25.69%	14.32%
Permanent Workers	0.94%	NA	0.94%	2.00%	NA	2.00%	1.74%	NA	1.74%

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

23. (a) Names of holding/ subsidiary/ associate companies/ joint ventures

Sl. No.	Name Of the Holding/ Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	Percentage of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1	LMW Textile Machinery (Suzhou) Co. Ltd, China	Wholly Owned Subsidiary	100%	No
2	LMW Aerospace Industries Limited, India	Wholly Owned Subsidiary	100%	No
3	LMW Global FZE, United Arab Emirates (formerly known as LMW Middle East FZE)	Wholly Owned Subsidiary	100%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes
(ii) Turnover (in ₹): ₹4,520,16,78,959.68/-
(iii) Net worth (in ₹): ₹2,418,38,38,774.15/-

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide weblink for grievance redress policy)	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year [#]	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year [#]	Remarks
Communities							
Investors (Other than Shareholders)		Nil	Nil		Nil	Nil	
Shareholders	Yes*	2	0		4	0	
Employees and Workers		Nil	Nil		Nil	Nil	
Customers		4,158	131		4,759	49	
Value Chain Partners		Nil	Nil		Nil	Nil	
Others (Please specify)		NA					

* Please refer to the Whistle Blower Policy and Business Responsibility Policies available at www.lmwglobal.com/investors/Policies.html

[#] Necessary action is being taken to resolve the pending complaints

26. Overview of the entity's material responsible business conduct issue:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Emissions	Risk	<p>Increased carbon footprint contributes to climate risk.</p> <p>Climate change-induced instability will have a direct consequence for vital company infrastructure, as well as secondary repercussions on economic capabilities.</p> <p>Failure to adopt appropriate countermeasures to reduce the carbon intensity of the business can impact brand reputation & stakeholder confidence.</p>	<p>Emission reduction initiatives for identified areas of higher emissions.</p> <p>Exploring options to move to low-carbon fuels that have lesser emissions such as biodiesel, natural gas, Compressed Biogas (CBG), etc.</p>	Impact on company's reputation and brand value.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Energy	Risk, Opportunity	<p>Risk: LMW's business activities are primarily the manufacturing of various tools and equipment. This is an energy intensive process, which could lead to a lack of optimisation of direct as well as indirect energy consumption and continued reliance on fossil fuel-based energy sources.</p> <p>Opportunity: With having identified the trend of energy consumption, it could be in the best interest of the Company's business to curb the reliance on conventional fuels and shift towards utilisation of renewable energy to a significant extent.</p>	<p>The Company has set an internal target to offset 100% of energy consumption with renewable energy.</p> <p>The Company has a 15 MW Solar Power Generation Plant and has also installed 28 windmills with a total capacity of 36.80 MW. This has helped offset the emissions generated by energy consumption from conventional non-renewable sources.</p> <p>As a measure of energy efficiency across divisions, sodium vapour lights are being replaced with LED.</p>	<p>Reduction in energy and environmental costs.</p> <p>Increased operational efficiency.</p> <p>Improved equipment lifespan.</p>
3.	Waste Management	Risk	<p>Manufacturing of equipment leads to the generation of a significant amount of waste across all divisions. The waste generated is both hazardous (metal scraps, paints, etc.) as well as non-hazardous (paper, wood, etc.).</p> <p>Lack of waste management and waste re-utilisation could lead to operational inefficiency and hinder product manufacturing.</p>	<p>Waste in the form of metal chips is used as raw material in the Foundry division. Hazardous waste generated during operations is disposed through authorised vendors.</p>	<p>Legal fines.</p>
4.	Efficient Resource Utilisation	Opportunity	<p>The Company's focus on minimising the negative impact of operations on the environment and utilising natural resources in an efficient and sustainable manner can improve operational efficiency and attract environmentally conscious customers.</p>	-	<p>Lower operational costs.</p> <p>Increase in revenue share from environment conscious customers.</p> <p>Scope to increase reliability of renewable energy.</p>

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Occupational Health & Safety	Opportunity	The Company's ability to provide a work environment free of injuries, fatalities, and illness, and promote better health and well-being of employees results in better productivity and boosts employee morale	-	Reduced cost of talent acquisition.
6.	Training & Education	Opportunity	Providing training to employees and workers leads to skill enhancement as well as reduced margin for errors/ accidents, thus increasing the productivity of the workforce.	-	Increased productivity.
7.	Product Quality	Opportunity	Efficient resource utilisation and waste management will lead to the manufacture of quality and safe products. This could in turn lead to customer satisfaction.	-	Improved customer satisfaction. Increased product demand.
8.	Customer Satisfaction	Opportunity	The Company provides superior products and quality services that enhance value and customer satisfaction through continual improvement in People, Systems, Processes, Technology and Practices.	-	Higher Net Profit.
9.	Business Ethics	Risk & Opportunity	Risk: Non-adherence to ethical standards can expose the organisation to legal fines, penalties, and damaged reputation. Opportunity: Compliance with ethical standards can result in improved company reputation and relations with other business entities.	Building awareness and training for internal stakeholders on ethical business practices. Effective mechanisms and management systems for ensuring that the Company and its employees are compliant with the laws, regulations, standards, and ethical practices that apply to the organisation and industry.	Legal fines and penalties.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10.	Technology & Innovation	Opportunity	Leverage technology and innovation to enhance the digital experience for customers and consumers, and to gain operational advantages. The development of sustainable products and solutions could provide long-term social and environmental benefits while creating economic benefits for the company.	-	Innovative Technology can enhance work efficiency, expand our product portfolio and customer reach, and increase convenience.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC), as prescribed by the Ministry of Corporate Affairs advocates nine Principles referred to as P1-P9 given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Sl. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)					Yes				
	b. Has the policy been approved by the Board? (Yes/No)					Yes				
	c. Web Link of the Policies, if available				https://www.lmwglobal.com/investors/Policies.html					
2.	Whether the entity has translated the policy into procedures. (Yes / No)					Yes				

Sl. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)					Yes				
4.	Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	LMW's manufacturing facilities and office premises have well defined Environment, Health, Safety and Quality Management systems in place with stringent internal standards and are also certified with international standards like ISO 45001: 2018: Occupational Health and Safety Management system; ISO 14001: 2015: Environmental Management system, ISO 9001: 2015: Quality Management system. Additionally, wherever necessary/applicable the respective manufacturing facilities are certified with ISO/IEC 17025: 2017, Pressure Equipment Directive 2014/68/EU, AS9100D (Aerospace Quality Management System), NADCAP. Besides, the Company's foundry units have received the GreenCo Platinum level certification from CII – Sohrabji Godrej Green Business Centre and the Marine Certification by DNV, BV, ABS and Lloyd's Register.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any	Nil								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								

Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure).

Response: We have been committed to environmental well-being right since our inception, prioritising ESG long before it became a mainstream concept.

Aligned with the Paris Agreement, the Company is undertaking steps to reduce absolute carbon emissions. To achieve this, multiple initiatives with respect to improving operational efficiency, in addition to renewable energy generation and its procurement, and fuel switch, are being implemented across our facilities.

On the business side, we offer a range of energy-efficient and environment-friendly products and solutions. This enables industries to optimise their energy consumption and reduce greenhouse gas emissions as well as minimise their freshwater intake through the reuse and recycling of water.

Cognisant of the change in the energy mix in recent times, and our ability to contribute to this transition, we have concentrated our efforts towards green energy. We have proactively aligned our strategies with climate change mitigation and sustainability goals. Along with investing in R&D and digital capabilities, we have inked partnerships with other technology companies to strengthen our clean energy offerings and to solidify our presence as a trusted partner in energy transition to customers.

On the social front, we are actively engaged in social initiatives, striving to create equal opportunities through education and empowering the informal workforce through various initiatives.

While making persistent efforts to meet our ESG imperatives, we know there are many challenges ahead. These include dealing with the complexity of the infrastructure of existing industries and transitioning them into cleaner and more sustainable alternatives, cost implications for implementing the technological innovations, assessing and managing the sustainability practices of our suppliers and mitigating any environmental or associated social risks, and data collection and reporting on ESG performance metrics across the organisation.

Despite these challenges, we remain dedicated to addressing the same through ongoing innovation, strategic partnerships, stakeholder engagement and continuous improvement of our ESG practices. We know we have come a long way, but there is still much that is to be done.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).

Response: At the highest level, Executive Directors along with the other Board of Directors of the Company are responsible for the implementation and oversight of the Business Responsibility Policy(ies). The Corporate Social Responsibility Committee oversees the social factors affecting the environment in which the Company operates and provides necessary insights to the Board of Directors. Whereas, the Risk Management Committee of the Company oversees all the other factors related to the Environment, Social and Governance aspects of the Organisation and provides adequate inputs to the Board of Directors.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Response: As stated above, the Risk Management Committee and the Corporate Social Responsibility Committee provide inputs to the Board for decision making on sustainability related factors. Details regarding the composition of the Risk Management Committee and the Corporate Social Responsibility Committee are available in the Corporate Governance Report found elsewhere in the Annual Report.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board of Directors									Yearly								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	A Statutory Compliance Certificate on applicable laws is provided by the Company Secretary (based on the confirmation received from the respective business head) to the Board of Directors.									Quarterly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No								

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:
Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Utilising the skills and abilities of our employees through focused talent development initiatives is our main priority. Our programmes are intended to enable employees to follow goals that suit their particular career aims as well as the organisation’s strategies. We provide our employees with a range of leadership and skill development programmes, including leadership enhancement workshops and skill and competency development projects.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	4	All 9 principles	100.00%
Key Managerial Personnel	4		100.00%
Employees other than BoD and KMPs	171		84.02%
Workers	107	Safety, First Aid & skill up-gradation training, Vocational training focused on achieving employable skills	85.00%

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		No
Compounding Fee					
Non-monetary					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment					
Punishment			Nil		No

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Response: Yes, the Company has an anti-corruption/anti-bribery policy as a part of the Business Ethics Policy. This policy is in line with applicable anti-corruption/anti-bribery regulations. LMW conducts its operations and activities in compliance with the Business Ethics Policy and expects everyone associated with it to conduct their business with integrity. The Company's policy strictly prohibits any form of improper / unethical payments. Any payment or benefit conveyed, and is ethical, must be fully transparent, adequately documented, and duly accounted. This policy is communicated to all employees through induction programmes, policy manuals and intranet portals. The web-link for the Policy is: [https://www.lmwglobal.com/pdf/investors1/policies/business responsibility policy/01 Business Ethics Policy.pdf](https://www.lmwglobal.com/pdf/investors1/policies/business%20responsibility%20policy/01%20Business%20Ethics%20Policy.pdf)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2023-24	FY 2022-23
Directors		
KMPs	Nil	Nil
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors				
Number of complaints received in relation to issues of Conflict of interest of the KMPs	Nil		Nil	

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Response: There was no instance of corrective action or issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payable	70 Days	89 Days

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchase	a. Purchase from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	25.30%	24.91%
	b. Sales (Sales to related parties / Total Sales)	5.75%	6.10%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D ¹	2.20%	1.30%	See Note ²
Capex ¹	15.56%	1.06%	

Note:

- The Company's overall capex programme is designed towards investment in assets that continually improve the quality of manufacturing processes. This helps the Company to not only reduce environmental and social impacts resulting from its operations but also to offer products and services that have optimal impact on the environment.
- R&D for improving environmental and social impacts of the product is done by the Company considering the customers' requirements.

- a. Does the entity have procedures in place for sustainable sourcing? (Yes/No):

Response: Yes, the Company has incorporated sustainability principles into its supply chain practices. The Company's sustainability measures also extend to its suppliers. LMW expects its suppliers to comply with all governmental norms (both local and international) such as - Environment, Minimum Wages, Child Labour, Anti-Bribery, Corruption Health, and Safety etc., and follow all environment, health, safety and other operational policies of the Company.

The Company's manufacturing process is monitored and enhanced annually to ensure lower energy and resource consumption. To reduce the impact on the environment, LMW prioritises the purchase of high-quality materials and products that are easily accessible locally. The Company promotes and uses sustainable packaging whenever it is practical. The Code of Conduct for Suppliers & Vendors can be found on the website of the Company at <https://www.lmwglobal.com/pdf/investors1/policies/business-responsibility-policy/08-Supplier-Code-of-Conduct.pdf>

- b. If yes, what percentage of inputs were sourced sustainably?

Response: Before onboarding a supplier, LMW's vendor capability assessment system evaluates and ensures that the supplier's process and products are sustainable. Hence, 100% sourcing is done sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Response: LMW is an Original Equipment Manufacturer (OEM). The Company's products have a resale value and can be recycled and/or retrofitted.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Response: Not applicable

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators:

1. a. Details of measures for the well-being of employees:

Category	Percentage of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day-care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2,243	2,243	100.00%			Nil					
Female	90	90	100.00%	Nil		90	100.00%			Nil	
Total	2,333	2,333	100.00%			90	3.86%				
Other than Permanent Employees											
Male											
Female	Nil	Nil	NA					NA			
Total											

- b. Details of measures for the well-being of workers:

Category	Percentage of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day-care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	1,257	1,257	100.00%	1,257	100.00%						
Female	Nil	Nil	Nil	Nil	Nil				NA		
Total	1,257	1,257	100.00%	1,257	100.00%						
Other than Permanent Workers*											
Male	232										
Female	3	Nil	NA	Nil	NA				NA		
Total	235										

*covered under ESIC

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.72%	0.61%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a percentage of total employees	No. of Workers covered as a percentage of total workers	Deducted and deposited with the authority (Y/N / N.A.)	No. of employees covered as a percentage of total employees	No. of workers covered as a percentage of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100% of applicable employees as per act	100% of applicable workers as per act	Yes	100% of applicable employees as per act	100% of applicable workers as per act	Yes
Gratuity	100% of applicable employees as per act	100% of applicable workers as per act	Yes	100% of applicable employees as per act	100% of applicable workers as per act	Yes
ESI	100% of applicable employees as per act	100% of applicable workers as per act	Yes	100% of applicable employees as per act	100% of applicable workers as per act	Yes
Others-please specify: Nil	Not Applicable					

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Response: LMW engages with differently abled stakeholders frequently. The Company's efforts focus on making its premises more accessible to differently abled stakeholders. The Company seeks to ensure that its physical infrastructure (buildings, furniture, facilities, and services in the building/campus) adhere to the accessibility standards as given/cited in the Rights of Persons with Disabilities (RPWD) Act and other applicable rules. The Company continuously aims to revamp its existing buildings to ensure strict compliance with the standards. Any new facility that is built / renovated / leased / rented will be evaluated for compliance with accessibility standards at different stages of the building construction. Any employee facing accessibility issues can report to the facilities team at their location or write to the Liaison Officer.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Response: Yes, the Company has an equal opportunity policy in accordance with the Rights of Persons with Disabilities Act, 2016. The policy states that recruitment decisions will be based solely on merit, and there will be no discrimination on the basis of race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnicity, disability or any other category protected by applicable law. The Company follows an inclusive evaluation process by ensuring that a person with disability is provided with any suitable flexibility and accommodation that may be required so that she/he may be evaluated fairly. The Company is committed to eliminating all forms of unlawful discrimination, and strives to provide clear terms of employment, training, development, and performance management.

Equal Opportunity Policy of the Company can be found on the Company's website at [https://www.lmwglobal.com/pdf/investors1/policies/business responsibility policy/10 Equal Opportunity Policy.pdf](https://www.lmwglobal.com/pdf/investors1/policies/business%20responsibility%20policy/10%20Equal%20Opportunity%20Policy.pdf)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100.00%	100.00%	NA	NA
Total	100.00%	100.00%	NA	NA

Note: The Company provides maternity leave only.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has internal procedures in place for grievance redressal of employees and workers. The structured grievance redressal forum monitors and reviews complaints received, if any. Along with this forum, the Company also has a Safety committee which carries out interaction with all departments periodically. Besides the safety committee the Company also has an Internal Complaints Committee as required under POSH Act 2013. The Company also has a Whistle Blower mechanism to receive/process/resolve grievances, if any of employees and workers.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or union (D)	% (D / C)
Total Permanent Employees	2,333	Nil	NA	2,132	Nil	NA
Male	2,243	Nil	NA	2,043	Nil	NA
Female	90	Nil	NA	89	Nil	NA
Total Permanent Workers	1,257	1,257	100.00%	1,286	1,286	100.00%
Male	1,257	1,257	100.00%	1,286	1,286	100.00%
Female	Nil	Nil	NA	Nil	Nil	NA

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,243	1,773	79.05%	1,897	84.57%	2,043	1,532	74.99%	1,583	77.48%
Female	90	83	92.22%	76	84.44%	89	72	80.90%	29	32.58%
Total	2,333	1,856	79.55%	1,973	84.57%	2,132	1,604	75.23%	1,612	75.61%
Workers										
Male	1,257	966	76.85%	816	64.92%	1,286	940	73.09%	484	37.64%
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	1,257	966	76.85%	816	64.92%	1,286	940	73.09%	484	37.64%
Other than Permanent Workers										
Male	232	232	100.00%	232	100.00%	323	323	100.00%	323	100.00%
Female	3	3	100.00%	3	100.00%	3	3	100.00%	3	100.00%
Total	235	235	100.00%	235	100.00%	326	326	100.00%	326	100.00%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	2,243	2,243	100.00%	2,043	2,029	99.31%
Female	90	90	100.00%	89	88	98.88%
Total	2,333	2,333	100.00%	2,132	2,117	99.30%
Workers						
Male	1,257	57	4.53%	1,286	242	18.82%
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total	1,257	57	4.53%	1,286	242	18.82%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Response: To enable and ensure a healthy, safe workplace, the Company has a comprehensive Environment, Occupational Health, and Safety Management System (EOHS) in place. LMW ensures that its EOHS system is implemented across all sites. All manufacturing locations are certified for requirements under ISO 45001 (Occupational Health and Safety System). The adoption of various precautionary safety measures are integrated with the system.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Response: LMW has implemented a Hazard Identification and Risk Assessment (HIRA) program in its operations. The Company is also providing guidance on proper equipment handling and has appropriate protective wear (e.g., helmets, eye masks) in place according to the statutory requirements. The Company's plant managers monitor the entire manufacturing process to avoid any instance of safety related accident. Near miss incidents are recorded and reviewed by the managers to identify work related hazards and ensure workplace safety.

- c. Whether you have processes for workers to report work-related hazards and to remove themselves from such risks. (Yes/No)

Response: Yes, the Company encourages its workers to report near-miss incidents and consistently promotes a strong safety culture in the organisation.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Response: Yes, LMW collaborates with local hospitals to provide its workers and employees with non-occupational medical and healthcare services.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.13	Nil
	Workers	0.40	0.08
Total recordable work-related injuries	Employees	3	2
	Workers	33	135
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

*Including the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Response: The Company ensures that its operations are compliant with all safety related statutory norms. LMW also ensures that safety training is provided to employees and workers right after joining. The Company has department wise Standard Operating Procedures (SOP) in place. All the manufacturing locations are certified for requirements under ISO 45001 (Occupational Health and Safety System). The comprehensive Environment, Occupational Health and Safety Management System (EOHS) ensures the workplace safety of the workforce. The Company also has in place various other initiatives/measures to ensure a happy, healthy and safe workplace for its employees.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions		Nil			Nil	
Health & Safety						

14. Assessments for the year:

	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices ¹	100%
Working Conditions ¹	

¹All the factories and offices of the Company are subject to regular/periodical visit/inspection by relevant statutory authorities.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Response: There are no such instances of safety-related incidents / risks / concerns arising from assessments of health & safety practices and working conditions.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

- Describe the processes for identifying key stakeholder groups of the entity.

The process of identifying key stakeholder groups involves gathering and analysing information to understand the interests, needs, and concerns of the stakeholders, categorising them based on their level of importance, and developing a plan to engage with them effectively.

- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Visits, Meetings, Survey, Newsletters, Brochures, social media, and e-mail	Need basis	Information on business offering and to understand customer requirements
Employees	No	Bulletin Boards, Intranet, Mailers, and internal Committees	Need basis	For career management, ensuring personal growth, provide learning opportunities and gather informal feedback
Investors	No	Meetings, Press Release and Stock Exchanges	Quarterly and Need basis	Investor related communication
Suppliers	No	Supplier Meetings, social media, and Mailers	Need basis for any centrally driven topic	To educate about recent developments in the industry
Government / Regulatory Bodies	No	Policy advocacy, Partnership with industry bodies and Meetings	Need basis	Ensure compliance
Local Community / Society	Yes	Site visits, Press Release, Social Media, NGOs, Case Studies, and Mailers	Quarterly/ periodic review meetings based on the characteristics of each CSR project	To develop the CSR project along with the community, according to the needs of the community

PRINCIPLE 5

Businesses should respect and promote human rights.

Essential Indicators:

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of Employees / Workers covered (B)	% (B/A)	Total (C)	No. of Employees / Workers covered (D)	% (D/C)
Employees						
Permanent	2,333	2,206	94.56%	2,132	2,025	94.98%
Other than Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total	2,333	2,206	94.56%	2,132	2,025	94.98%

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of Employees / Workers covered (B)	% (B/A)	Total (C)	No. of Employees / Workers covered (D)	% (D/C)
Workers						
Permanent	1,257	1,257	100.00%	1,286	1,286	100.00%
Other than Permanent	235	235	100.00%	326	326	100.00%
Total	1,492	1,492	100.00%	1,612	1,612	100.00%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	2,243	Nil	Nil	2,243	100.00%	2,043	Nil	Nil	2,043	100.00%
Female	90	Nil	Nil	90	100.00%	89	Nil	Nil	89	100.00%
Other than Permanent										
Male	Nil					Nil				
Female	Nil					Nil				
Workers										
Permanent										
Male	1,257	Nil	Nil	1,257	100.00%	1,286	Nil	Nil	1,286	100.00%
Female	Nil					Nil				
Other than Permanent										
Male	232	Nil	Nil	232	100.00%	323	Nil	Nil	323	100.00%
Female	3	Nil	Nil	3	100.00%	3	Nil	Nil	3	100.00%

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) (Executive)	3	67,13,453	Nil	NA
Board of Directors (BoD) (Non-Executive)	6	10,00,000	1	10,00,000
Key Managerial Personnel	2	66,71,273	Nil	NA
Employees other than BoD and KMP	2,241	6,10,961	90	5,44,015
Workers	1,257	8,98,906	Nil	NA

Note: For details on Board of Directors remuneration please refer to the Corporate Governance Report

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	2.29%	2.21%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Response: Yes, the Head of Human Resources oversees addressing human rights impacts or issues caused or contributed to by the business that may be raised by internal employees or contractors.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Response: The Company has a 'Whistle Blower Mechanism' in place through which employees can suitably represent any perceived misconduct or complaints related to human rights issues. The Company also has an Anti-Sexual Harassment Policy and Committees in place to ensure the safety and dignity of employees. All employees are educated on Human Rights Policy through induction programmes, policy manuals and intranet portals. Any grievances falling under the purview of this policy can be addressed to the HR department. For unionised employees, a robust grievance handling procedure is in existence. The Human Rights Policy of the Company can be found on the Company's website at [https://www.lmwglobal.com/pdf/investors1/policies/business responsibility policy/05 Human Rights Policy.pdf](https://www.lmwglobal.com/pdf/investors1/policies/business%20responsibility%20policy/05%20Human%20Rights%20Policy.pdf)

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour / Involuntary Labour		Nil			Nil	
Wages						
Other human rights related issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Not Applicable	Not Applicable
Complaints on POSH upheld	Not Applicable	Not Applicable

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Response: The Company has adopted a robust whistle blower mechanism to ensure transparent and fair action in case of any misconduct or unethical practice. The Whistle blower policy states that identity of the complainant will be kept confidential to the extent possible given the legitimate needs of law and the investigation. Additionally, the policy protects the complainant from discrimination, victimisation, retaliation, threat, discrimination, or any other unfair employment practice being adopted against a Whistle Blower. Whistle Blower policy of the Company can be found on the Company's website [https://www.lmwglobal.com/pdf/investors1/policies/12 Whistle Blower Policy.pdf](https://www.lmwglobal.com/pdf/investors1/policies/12%20Whistle%20Blower%20Policy.pdf).

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Response: Yes, the Company follows internationally accepted human rights norms and standards which also extend to business agreements and contracts.

10. Assessments for the year:

Particulars	Percentage of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Child Labour	100 % of our plants and offices are inspected regularly by relevant statutory authorities.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – Nil	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Response: There are no such instances of significant risks or concerns arising from the assessment.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	3,13,49,84,50,800 kJ	3,07,74,49,88,400 kJ
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption from renewable sources (A+B+C)	3,13,49,84,50,800 kJ	3,07,74,49,88,400 kJ
From non-renewable sources		
Total electricity consumption (D)	83,20,84,74,000 kJ	1,19,31,22,04,400 kJ
Total fuel consumption (E)	58,14,96,90,000 kJ	65,46,31,37,700 kJ
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	1,41,35,81,64,000 kJ	1,84,77,53,42,100 kJ
Total energy consumed# (A+B+C+D+E+F)	4,54,85,66,14,800 kJ	4,92,52,03,30,500 kJ
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	9.894338732	10.86466285
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output *		
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? No.

* The business verticals of the Company do not have a uniform output metric(s)

(Previous year figures have been changed based on revised workings)

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Response: Not applicable. The Company does not come under any sector which comes under PAT scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,57,556.42 kl	2,56,725.90 kl
(ii) Groundwater	68,195.85 kl	90,558.06 kl
(iii) Third party water	390.00 kl	1,732.00 kl
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,26,142.27 kl	3,49,015.96 kl
Total volume of water consumption (in kilolitres)	Nil	Nil
Water intensity per rupee of turnover (Total Water Consumption / Revenue from operations)	Nil	Nil
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output*		
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) No.

*The business verticals of the Company do not have a uniform output metric(s)

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others - Gardening		
- No treatment	Nil	Nil
- With treatment - tertiary treatment	86,241 kl	86,870 kl
Total water discharged (in kilolitres)	86,241 kl	86,870 kl

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Response: Yes, the Company has implemented a Zero Liquid Discharge (ZLD) mechanism at its plants. The recycled water is used for toilet flushing and other process in the Company premises. The Company has also installed a Sewage Treatment Plant (STP) along with a Reverse Osmosis (RO) plant for water treatment along with an agitated thin film drier at Textile Machinery Division - Unit 2 to increase the output quality of the treated water and thereby reduce hazardous waste generation.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Micro gram / Meter cube	26	25
SOx	Micro gram / Meter cube	27	16
Particulate Matter (PM)	Micro gram / Meter cube	28	93
Persistent organic pollutants (POP)		Nil	Nil
Volatile organic compounds (VOC)		Nil	Nil
Hazardous air pollutants (HAP)		Nil	Nil
Others – Foundry Dust	Tons	1,021	584

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Response: As part of the Company's sustainability objective, LMW is in the process of undertaking calculation of scope 1 & scope 2 emissions across all its businesses. Currently the Company has completed scope 1 & 2 emission calculation.

Parameter	Unit	FY2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,638.41	6,703.33
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	19,052.64	26,845.24
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent	0.00000054 tCo ₂ e per Rupee	0.00000074 tCo ₂ e per Rupee
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	-	-
Total scope 1 and scope 2 emission intensity in terms of physical output *			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

*The business verticals of the Company do not have a uniform output metric(s)
(Previous year figures have been changed based on revised workings)

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Response: The Company's focus lies in reducing net emissions by tracking overall energy consumption and we have internally set a target to 100% offset the energy consumption with renewable energy. The scope 1 emissions account for around 69% of overall emissions. Diesel and LPG account for the majority of scope 1 emissions (67% and 23% respectively). Therefore, the Company is exploring options to move to low-carbon fuels which have lesser emissions. These include the use of biodiesel, compressed natural gas (CNG), instead of diesel in generators switching to electric heaters from LPG in canteens etc. CNG is cost-effective and a better alternative for Acetylene used in the Foundry Division. The Company is also studying the feasibility of using CNG for metal cutting operation which could potentially offset 72% of Acetylene emissions from foundry division-II.

The Company's scope 2 emission accounts for 31% of overall emissions, most of which were offset by the wind and solar power generating facilities installed by the Company. The Company has a 15 MW Solar Power Generation Plant and has also installed 28 windmills with a total capacity of 36.80 MW. This has helped offset the emissions generated by energy consumption from conventional non-renewable sources.

The Company is continuously developing and modifying processes to minimise the use of energy and fossil fuels. To reduce the emissions from non-renewable sources, the Company is replacing sodium vapour lights with LED which leads to lower power consumption. The Company has also reduced emissions caused by refrigerant through better refrigerant management leading to lower emissions. Along with this, the Company is switching to energy efficiency compressors.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	200.70	199.22
E-waste (B)	2.80	1.55
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)*	9,812.70	11,795.53
Other Non-hazardous waste generated (H).** Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	1,921.00	1,851.15
Total (A + B + C + D + E + F + G + H)	11,937.20	13,847.45
Waste intensity per rupee of turnover. (Total waste generated /Revenue from operations)	0.00000026	0.00000031
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output [#]		
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	8,766.40	0.08
(ii) Re-used	894.60	2,858.90
(iii) Other recovery operations***	2,276.10	9,406.70
Total	11,937.10	12,265.68
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
(i) Incineration	11.50	10.64
(ii) Landfilling	15.80	17.00
(iii) Other disposal operations	0	0
Total	27.30	27.64

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) No.

*Other hazardous waste includes metal scraps.

**Other Non-hazardous waste includes scraps of paper, wood, rubber, and other non-metallic waste.

***Other recovery operations include the waste that was co-processed.

[#]The business verticals of the Company do not have a uniform output metric(s)

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Response: Various measures are taken by the Company to handle waste at its facilities, namely:

Zero Liquid Discharge: The Company has installed a Sewage Treatment Plant (STP) along with RO plants and a Zero Liquid Discharge mechanism at its plants.

Hazardous waste: The hazardous waste generated during operations is disposed through authorised vendors who have the necessary certification/licenses to handle such waste.

E-Waste: The Company disposes outdated servers, monitors, computers, and other e-waste generated in its operations through e-waste management vendors approved by the government.

Production/Other waste: The Company also has a well-established waste recycling system which helps it to reuse more than 10% of production waste generated. The cast iron and mild steel waste generated from the manufacturing process is recycled entirely in the in-house foundry. This is achieved by initially briquetting and shredding of waste before melting. The Company's sand reclamation facility recycles waste sand from foundry processes. Other waste such as plastic, office waste, packaging, and paper is given to vendors for recycling. Food waste from cafeterias is given to vendors to use as animal feed and manure in nearby farmlands. The Company has disposed old batteries through authorised vendors for recycling.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Response: Not applicable, as the Company does not have any operations/offices in/around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Response: No environmental impact assessment of projects was undertaken by the Company during the current financial year.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

SI. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
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Not Applicable as the Company is compliant with all applicable laws and regulations.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators:

1. a. Number of affiliations with trade and industry chambers/ associations:

Response: The Company is associated with about 30 trade and industry chambers/associations.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State/National)
1	Confederation of Indian Industry	National
2	Federation of Indian Chambers of Commerce and Industry	National
3	Federation of Indian Export Organization	National
4	Indian Chamber of Commerce and Industry	National
5	Textile Machinery Manufacturers' Association of India	National
6	Indian Machine Tool Manufacturers' Association	National
7	Society of Indian Aerospace Technologies and Industries	National
8	Indian Wind Power Association	National
9	International Textile Manufacturers' Federation	International
10	The Institute of Indian Foundrymen	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Response: There were no cases of anti-competitive conduct during the reporting period.

Name of authority	Brief of the case	Corrective action taken
Nil		

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

Essential Indicators:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Response: Not applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Response: Not applicable

3. Describe the mechanisms to receive and redress grievances of the community.

Response: The scope of our Whistle blower policy covers external stakeholders, through which community members can raise their concerns. Along with this, we also implement a public grievance redressal mechanism, where any complaints or grievances of our stakeholders, including the community, can be addressed directly to our Administration Department at the following address:

Head – Administration
34 A, Kamaraj Road
Coimbatore – 641 018
Tamil Nadu, India
Phone: +91 422 7198100
E-Mail: info@lmw.co.in

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	15.48%	17.54%
Directly from within India	74.23%	57.77%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	Nil	Nil
Semi-Urban	92.96%	93.11%
Urban	Nil	Nil
Metropolitan	7.04%	6.89%

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators:

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Response: Customer feedback and opinions are collected on a real time basis at frequent intervals. The Company has undertaken a customer centric methodology and aims to resolve issues of the consumers on a timely basis. The global service team receives customer complaints from service engineers or selling agencies. The complaints are registered online in the portal maintained within the Company, categorising the complaint received and assigning accountability. Daily meetings are held with cross-functional team members to discuss and analyse complaints. If a complaint is within the warranty period, free replacement parts are dispatched to the customer. Also, containment actions are initiated, and root cause analysis is performed. Corrective actions are proposed, implemented, and monitored. The effectiveness of the corrective action to prevent recurrence is also analysed. The quality team acknowledges these actions and updates relevant standardisation documents. If issues persist, further analysis is conducted. Horizontal deployment may be considered for similar products.

Scope of the Whistle Blower policy allows all stakeholders to raise their concerns. Along with this, the Company also has a public grievance redressal mechanism, where any complaints or grievances can be addressed directly to the Administration department through an email address and phone number provided on the website.

2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about environmental and social parameters relevant to the product, safe and responsible use, recycling and/or safe disposal:

Response: Lakshmi Machine Works is compliant with disclosure requirements as per applicable laws.

3. Number of consumer complaints in respect of the following:

Particulars	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services	Nil		NA	Nil		NA
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Response: Yes. The Company has a comprehensive Information Security Policy and an Information Technology policy in place that outlines data security procedures for all business operations. These policies are available on the Company's intranet. These policies on information security have been structured with the aim of protecting data and information systems from unauthorised access, use, disclosure, disruption, modification, or destruction, to ensure the integrity, confidentiality, and availability of the information. Standard procedures and policies regarding Removable Devices, Anti-virus Software, Vulnerability Management etc. are detailed to minimise the risk of loss or exposure of sensitive information of the Company and to reduce the risk of acquiring malware infections on computers. The policy is formulated by the Information Technology Committee under the overall directions of the Management. Overall responsibility to administer the policy rests with the Head-IT. However, it is the responsibility of the Process Owners and other functional heads to ensure implementation of the Policy in their respective areas. Effective implementation and monitoring are done as per the policy guidelines by Process Owners and Functional Heads on a regular basis. A copy of the policy can be found on the website of the Company at <https://www.lmwglobal.com/privacy-policy>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products/services.

Response: No corrective action was taken by any regulatory authority on issues relating to advertising, cyber security, and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on the safety of products/services.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches - Nil
- b. Percentage of data breaches involving personally identifiable information of customers – Nil
- c. Impact, if any, of the data breaches - Nil

Corporate Governance Report

In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. PHILOSOPHY ON CODE OF GOVERNANCE:

Lakshmi Machine Works Limited ("LMW" / "Company") corporate vision is to ensure a sustainable business that delights the customer, thrives to maintain the market leadership and at the same time enhances value for every Stakeholder. To achieve this, systematic and planned efforts are undertaken by the Company considering the 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 as well as ensures compliance with all applicable laws. LMW is also 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. LMW consistently emphasises its commitment towards creation, monitoring and continuous upgradation of a strong corporate governance policy and practice that will define and drive the organisation's performance as per its cherished values and commitment to each stakeholder.

2. BOARD OF DIRECTORS:

The Board provides leadership, strategic guidance, and objective judgment in the conduct of affairs of the Company. The Board upholds the vision, purpose, and values of the Company. The 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 the highest standards of governance practice which allows the Company to carry on its business in the long-term interest of all stakeholders.

To ensure the effective participation of all Directors, as a matter of practice, an annual calendar for the Board, Committees of the Board and General Meeting(s) of the Company are determined and intimated to the Directors

well in advance. The Company ensures that timely and relevant information is made available to all Directors in advance, 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 is held each year, one meeting is held in each quarter and it is ensured that the gap between two meetings does not exceed one hundred and twenty days. Various Committees of the Board also meet as per the statutory requirements. Also, as per statutory requirement, the Independent Directors meet separately at least once in a year.

a) **Details of composition of the Board, category of Directorship, attendance at the Meetings of the Company along with information on other Directorship details of the Directors on the Board of the Company as on 31st March 2024:**

The Board of Directors is constituted in such a way that it strictly conforms with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

As on 31st March 2024, the Board of Directors consists of nine Directors, of whom one is the Chairman and Managing Director, two are Executive - Non-Independent Directors and six are Non-Executive Directors. Out of the six Non-Executive Directors, one Director is Non-Executive and Non-Independent and remaining five are Non-Executive Independent Directors. The Board also meets with the requirement of having an Independent Woman Director.

The details of the attendance of each Director at Board Meetings, last Annual General Meeting (“AGM”) and their Directorship in other Indian Companies and membership in the Committees thereof, details of Listed Company(ies) in which the Director holds Directorship, are as under:

Name, DIN & Designation of the Director	Category of Directorship at Lakshmi Machine Works Limited	Attendance Particulars ¹		Directorship in other Indian Companies (Public + Private + Section 8)	Membership in Committees ²		Names of other Listed Companies in which Directors hold Directorship	Designation in such other Listed Companies
		Board Meeting	AGM		Chairperson	Member		
Sri Sanjay Jayavarthanavelu DIN: 00004505 Chairman and Managing Director	Promoter - Executive and Non-Independent	4	Yes	11	1	1	The Lakshmi Mills Company Limited Carborundum Universal Limited Lakshmi Electrical Control Systems Limited Super Sales India Limited	Promoter Group Member, Non-Executive and Non-Independent Director Non-Executive and Independent Director
Sri S Pathy DIN: 00013899 Director	Promoter Group Member - Non-Executive and Non-Independent	4	Yes	9	0	1	The Lakshmi Mills Company Limited Lakshmi Automatic Loom Works Limited	Promoter, Chairman and Managing Director (Executive) Promoter, Chairman, Non-Executive and Non-Independent Director
Sri Aditya Himatsingka DIN: 00138970 Director	Non-Executive and Independent	3	Yes	1	1	3	Coromandel International Limited Nil	Non-Executive and Independent Director Non-Executive and Independent Director
Dr Mukund Govind Rajan DIN: 00141258 Director	Non-Executive and Independent	4	Yes	7	1	1	Nil	Nil
Justice (Smt) Chitra Venkataraman (Retd.) DIN: 07044099 Director	Non-Executive and Independent (Woman)	4	Yes	3	1	6	The Ramco Cements Limited Ramco Industries Limited Super Sales India Limited	Non-Executive and Independent Director Non-Executive and Independent Director Non-Executive and Independent Director

Name, DIN & Designation of the Director	Category of Directorship at Lakshmi Machine Works Limited	Attendance Particulars ¹		Directorship in other Indian Companies (Public + Private + Section 8)	Membership in Committees ²		Names of other Listed Companies in which Directors hold Directorship	Designation in such other Listed Companies
		Board Meeting	AGM		Chairperson	Member		
Sri Arun Alagappan DIN: 00291361 Director	Non-Executive and Independent	3	Yes	7	0	2	Coromandel International Limited	Promoter / Promoter Group Member, Executive Chairman (Wholesale Director)
Sri Aroon Raman DIN: 00201205 Director	Non-Executive and Independent	3	No	8	0	3	Thirumalai Chemicals Limited Carborundum Universal Limited Wheels India Limited	Non - Executive and Independent Director Non-Executive and Independent Director Non - Executive and Independent Director
Sri Jaidev Jayavarthanavelu ³ DIN: 07654117 Director	Promoter Group Member - Executive and Non-Independent	4	Yes	4	0	0	Brigade Enterprises Limited Nil	Non-Executive and Independent Director Nil
Sri M Sankar ⁴ DIN: 10362673 Director Operations	Executive and Non-Independent	1	NA	0	0	0	Nil	Nil

¹ The Board Meetings were held on 24th May 2023, 31st July 2023, 25th October 2023 and 12th February 2024. The Annual General Meeting was held on 31st July 2023. A separate meeting of Independent Directors was held on 12th February 2024.

² Number of Chairpersonship and Membership in Committees (Audit Committee and Stakeholders Relationship Committee) of all the Directors are within the limits specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The numbers contained in the column titled "Membership in Committees" denote only the Chairmanship and Membership of the Directors in Audit Committee and Stakeholders Relationship Committees across all Public Limited Companies including Lakshmi Machine Works Limited, in which they hold a Board position. A Director who is a Chairperson of a Committee is also additionally counted as a Member in the said Committee.

³ Sri Jaidev Jayavarthanavelu, was appointed as Wholetime Director of the Company with effect from 7th August 2023.

⁴ Sri M Sankar, was appointed as Director of the Company with effect from 25th October 2023.

Notes:

- During the period under review, Sri K Soundhar Rajhan (DIN: 07594186), Director Operations, retired at the 60th Annual General Meeting of the Company held on 31st July 2023. The vacancy caused on account of his resignation was not filled by the Board. Further, Sri K Soundhar Rajhan (DIN: 07594186) was present at the Board Meetings held on 24th May 2023 and 31st July 2023 respectively, and was also present at the Annual General Meeting of the Company held on 31st July 2023.
- During the period under review, Sri T C Suseel Kumar (DIN: 06453310) resigned from the post of Nominee Director of Life Insurance Corporation of India with effect from 26th January 2024, on completion of his nomination tenure. Further, Sri T C Suseel Kumar (DIN: 06453310) was present at the Board Meetings held on 24th May 2023, 31st July 2023 and 25th October 2023 respectively, and was also present at the Annual General Meeting of the Company held on 31st July 2023.

b) Number and dates of Board Meetings/separate meeting of Independent Directors

Four Meetings of the Board of Directors were held during the Financial Year 2023-24 and the Meetings were held on 24th May 2023, 31st July 2023, 25th October 2023 and 12th February 2024.

Independent Directors had met separately on 12th February 2024 during which all the Independent Directors were present.

c) Directors inter-se relationship

As on 31st March 2024, except Sri Jaidev Jayavarthanavelu none of the Directors are related to each other. Sri Jaidev Jayavarthanavelu is the son of Sri Sanjay Jayavarthanavelu, Chairman and Managing Director.

d) Number of Shares and convertible instruments held by the Non-Executive Directors

Sl. No.	Name of the Director	Number of Equity Shares held as on 31 st March 2024
1	Sri S Pathy	1,420
2	Sri Aditya Himatsingka	-
3	Dr Mukund Govind Rajan	-
4	Justice Smt Chitra Venkataraman (Retd.)	-
5	Sri Arun Alagappan	-
6	Sri Aroon Raman	-

Note: The Company has not issued any convertible instruments.







e) Familiarisation Program for Independent Directors

To familiarise all aspects of the Business of the Company, suitable presentations/familiarisation programs were made/ conducted to/for the Directors. The details of the Familiarisation Program conducted for the Directors is available on the Company's website at: [https://www.lmwglobal.com/pdf/investors1/leadership/familiarisation program/2023-24.pdf](https://www.lmwglobal.com/pdf/investors1/leadership/familiarisation%20program/2023-24.pdf)

f) Key Board qualifications, expertise, and attributes

The Board of Directors comprise of qualified Members who bring with them the required skills, competence and expertise that allows them to effectively participate and assist the Management in the strategic decision-making process.

The list of core skills / expertise / competency as identified by the Board of Directors as required in the context of the Company's Business(es) and from that list, the skills that are available with the Board are as follows:

Leadership		Leadership / Directorship experience resulting in effective participation in or spearheading various initiatives taken up by the Company. Ability to envision, develop talent, long-term planning and to champion & drive necessary changes.
Board Service, Legal and Governance		Has experience in managing Board Services and Governance resulting in better understanding of the governance process undertaken by the organisation and helps to protect the Stakeholders' interest at large. Has experience in Legal processes and is adept at interpreting laws / regulations applicable to the Company to enhance the Governance and protect its interest.
Business Strategy		Experience at developing business strategies that result in identifying divestiture and acquisition or alliance opportunities to strengthen the Company's portfolio and capabilities, analyse viability of a project with the business strategy and contribute towards growth of the organisation (organic / inorganic).
Technology & Innovation		Ability to develop long term plans to sustain and support the Business, anticipating future business models / changes in an innovative way. Experience in understanding technology, its purpose, and its suitability for the Company.
Financial		Experience in supervising the principal financial officer or person having similar nature of function. Having the ability to read and understand the Financial Statements. Management of financial function of the organisation resulting in proficiency in financial management / reporting / processes.
Sales and Marketing		Experience in driving / heading sales and marketing, resulting in better management of sales, increase of organisation reputation and building of brand reputation.
Human Resources		Experience in people management including but not limited to talent management, dispute resolution, inter-personnel relations, liaison with external stakeholders.

In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However, absence of a mark against a Director's name may not mean that the Director does not possess the said qualification or skill.

Board Qualifications - Area of Expertise							
Name of the Director	Leadership	Board Service, Legal and Governance	Business Strategy	Technology & Innovation	Financial	Sales and Marketing	Human Resources
Sri Sanjay Jayavarthanavelu	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sri S Pathy	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sri Aditya Himatsingka	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dr Mukund Govind Rajan	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Justice (Smt) Chitra Venkataraman (Retd.)	Yes	Yes	Yes	-	Yes	Yes	Yes
Sri Arun Alagappan	Yes	Yes	Yes	-	Yes	Yes	Yes
Sri Aroon Raman	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sri Jaidev Jayavarthanavelu	Yes	-	Yes	Yes	Yes	Yes	Yes
Sri M Sankar	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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

As per the requirements of the Companies Act, 2013, all the Independent Directors of the Company have registered themselves in the Independent Directors Data Bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and are exempted from undertaking online self-assessment test.

During the year under review, there were no instances of Independent Director(s) of the Company resigning before expiry of applicable tenure.

h) Code of Conduct

The Company's Code of Conduct is based on its values and clarifies the principles and expectations for everyone who works in the Company. It applies to all Employees, Officers and Members of the Board. The Code of Conduct is available on the Company's website www.lmwglobal.com.

The Board of Directors are responsible for ensuring that rules are in place to avoid conflict of interest by the Board Members and the Management. The Board has adopted the Code of Conduct for the Members of the Board and the Senior Management team. The Code provides that the Directors are required to avoid any interest in contracts entered by the Company. If such

an interest exists, they are required to make adequate disclosures to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The Members of the Board and Senior Management Personnel annually confirm the compliance of the Code of Conduct to the Board. The Code of Conduct for all Members of the Board of Directors and the Senior Management Personnel is in addition to the Code of Conduct of the Company.

The Chief Executive Officer's declaration on Code of Conduct signed by Sri Sanjay Jayavarthanavelu, Chairman and Managing Director, affirming compliance with the Company's Code of Conduct forms a part of the Annual Report.

In accordance with the Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations, 2015, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code) duly approved by the Board of Directors of the Company.

3. AUDIT COMMITTEE:

The Audit Committee was constituted along with the terms of reference in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference include amongst other things review of financial statements, annual budgets, internal control systems, accounting policies and practices, internal audit and administration.

Sri C R Shivkumaran, Company Secretary serves as the Secretary of the Committee.

Chief Financial Officer, Statutory Auditors, Internal Auditor, and the Company Secretary were always present at the Audit Committee Meetings. The Audit Committee assures to the Board among other things adequacy of internal control system, compliance with applicable accounting standards, adequacy and correctness of

financial disclosures, compliance with the requirements as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee meets once in every quarter to carry out its Business.

The Committee met four times during the financial year under review on 24th May 2023, 31st July 2023, 25th October 2023 and 12th February 2024.

The Composition of the Audit Committee and the attendance details of Members is as follows:

Name of the Member	Date of the Meeting and attendance details			
	24 th May 2023	31 st July 2023	25 th October 2023	12 th February 2024
Dr Mukund Govind Rajan (Chairman)	Yes	Yes	Yes	Yes
Sri Aditya Himatsingka (Member)	Yes	Yes	No	Yes
Justice (Smt) Chitra Venkataraman (Retd.) (Member)	Yes	Yes	Yes	Yes

The Chairman of the Audit Committee was present during the Annual General Meeting held on 31st July 2023.

4. NOMINATION AND REMUNERATION COMMITTEE:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Committee was formed for identifying persons to be appointed as Directors and Senior Management positions, to recommend to the Board for appointment and removal of Directors, carryout evaluation of Directors, formulate criteria for determining qualifications, positive attributes and independence of Directors, recommend policy relating to remuneration of Directors / Senior Management.

The Committee met four times during the financial year under review on 24th May 2023, 31st July 2023, 25th October 2023 and 12th February 2024. The composition of the Nomination and Remuneration Committee and the attendance details of Members is as follows:

Name of the Member	Date of the Meeting and attendance details			
	24 th May 2023	31 st July 2023	25 th October 2023	12 th February 2024
Dr Mukund Govind Rajan (Chairman)	Yes	Yes	Yes	Yes
Sri S Pathy (Member)	Yes	Yes	No	Yes
Justice (Smt) Chitra Venkataraman (Retd.) (Member)	Yes	Yes	Yes	Yes

Sri C R Shivkumaran, Company Secretary serves as the Secretary of the Committee.

The Chairman of the Nomination and Remuneration Committee was present during the Annual General Meeting held on 31st July 2023.

Board Performance Evaluation:

The Securities and Exchange Board of India (SEBI) in its Master Circular dated 11th July 2023 has included a guidance note on Board Evaluation specifying the criteria for evaluation of performance of (i) Board as a whole (ii) individual Directors (including Independent Directors & Chairperson) and (iii) various Committees of the Board.

Based on the parameters suggested, the Nomination and Remuneration Committee has adopted suitable criteria to evaluate the performance of Independent Directors, Committees of the Board and the Board of Directors as required

under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Performance Evaluation of the Board, the Individual Directors and the Committees has been carried out in accordance with the aforesaid circular.

Independent Directors' performance is evaluated based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions / roles, ability to function as a team, pro-activeness, participation and attendance, commitment, contribution, integrity, independence from the Company and the ability to articulate independent views and judgement. Accordingly, a performance evaluation of Independent Directors has been conducted and the results have been communicated to the Chairman of the Board.

5. DIRECTORS REMUNERATION:

The Non-Executive Director(s) 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, Committees of Board of Directors, and other Meetings of Directors at the rate of ₹50,000/- per Meeting.

In addition to the sitting fees, commission, as approved by the Shareholders at the Annual General Meeting held on 21st July 2021, is paid in the aggregate for all Non-Executive Directors up to 1% of the Net Profits of the Company computed in the manner as specified under Section 198 of the Companies Act, 2013 subject to an overall limit of ₹1,00,00,000/- (Rupees One Crore only) per annum. The amount of commission payable to each Non-Executive Director is determined by the Board based on the recommendation of the Nomination and Remuneration Committee.

Remuneration payable to Executive Director(s) consists of fixed as well as variable components.

The fixed pay consists of salary and perquisites and the variable pay is in the form of commission on Net Profit at a fixed percentage. Remuneration to Executive Director(s) is determined by the Nomination and Remuneration Committee and the Audit Committee of the Board of Directors and is approved by the Shareholders at the General Meeting. No sitting fee is being paid to the Executive Director(s).

The details on the criteria for making payments to the Non-Executive Director(s) is available on the Company's website at: https://www.lmwglobal.com/pdf/investors1/policies/03_Criteria_Remuneration_Non_Executive_Directors.pdf

Remuneration of Directors for the year ended 31st March 2024 is as follows:

(Amount in ₹)

Name	Salary ¹	Perquisites ¹	Sitting Fee	Commission ¹	Others ¹	Total
Sri Sanjay Jayavarthanelu	1,94,40,000	32,40,000	-	19,17,41,380	30,55,200	21,74,76,580
Sri S Pathy	-	-	8,50,000	10,00,000	-	18,50,000
Sri Aditya Himatsingka	-	-	6,00,000	10,00,000	-	16,00,000
Dr Mukund Govind Rajan	-	-	8,00,000	10,00,000	-	18,00,000
Justice (Smt) Chitra Venkataraman (Retd.)	-	-	9,00,000	10,00,000	-	19,00,000
Sri Arun Alagappan	-	-	3,00,000	10,00,000	-	13,00,000
Sri Aroon Raman	-	-	2,00,000	10,00,000	-	12,00,000
Sri Jaidev Jayavarthanelu ²	58,54,839	-	1,00,000	3,50,685	4,68,387	67,73,911
Sri M Sankar ³	55,41,968	7,28,129	-	-	4,43,356	67,13,453
Sri T C Suseel Kumar (Nominee Director of LIC) ⁴	-	-	1,50,000	10,00,000	-	11,50,000
Sri K Soundhar Rajhan ⁵	40,00,000	7,33,728	-	-	10,32,430	57,66,158

¹Commission paid to Sri Sanjay Jayavarthanelu is variable while salary and perquisites paid to Sri Sanjay Jayavarthanelu, Sri Jaidev Jayavarthanelu and Sri M Sankar are fixed. For other Non-Executive Directors Commission is variable. (Amounts as mentioned under the column Others refer to post retirement benefits).

² Sri Jaidev Jayavarthanelu was appointed as Wholetime Director of the Company effective from 07th August 2023.

³ Sri M Sankar was appointed as Director Operations of the Company with effect from 25th October 2023.

⁴ Sitting fees amount is paid to Sri T C Suseel Kumar while the Commission amount is paid to Life Insurance Corporation of India (LIC) as per the communication received from LIC. Sri T C Suseel Kumar held the position of Nominee Director of LIC till 26th January 2024.

⁵ Sri K Soundhar Rajhan retired from the Board on 31st July 2023.

No benefits, other than the above are given to the Directors. No performance linked incentive, severance fee, bonus, pension and/or stock option is given to the Directors. No service contracts were entered into with the Directors, their appointment is governed by the respective resolutions passed at the General Meeting of the Company in line with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Except as stated above, none of the Directors have any pecuniary relationship with the Company.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

In compliance with Section 178(5) of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Committee has been formed to

The Committee met twice during the year under review on 31st July 2023 and 12th February 2024. The composition of the Stakeholders Relationship Committee and the details of attendance of Members is as follows:

Name of the Member	Date of the Meeting and attendance details	
	31 st July 2023	12 th February 2024
Sri Aditya Himatsingka (Chairman)	Yes	Yes
Sri S Pathy (Member)	Yes	Yes
Justice (Smt) Chitra Venkataraman (Retd.) (Member)	Yes	Yes

The Chairman of the Stakeholders Relationship Committee was present during the Annual General Meeting held on 31st July 2023.

7. SHARES AND DEBENTURES COMMITTEE:

The Shares and Debentures Committee consists of the Members of the Board, Company Secretary and nominees of the Registrar and Share Transfer Agent. As on date of this report, there are 5 Members in the Committee. The Committee reviews and approves transfer, 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 the prescribed time. The Committee has met eight times

The Committee met three times during the year under review on 24th May 2023, 25th October 2023 and 12th February 2024. The composition of the Risk Management Committee and the details of attendance of Members is as follows:

Table A – Attendance details of Members (Board Members):

Name of the Member	Date of the Meeting and attendance details		
	24 th May 2023	25 th October 2023	12 th February 2024
Dr Mukund Govind Rajan (Chairman)	Yes	Yes	Yes
Sri Aditya Himatsingka (Member)	Yes	No	Yes
Justice (Smt) Chitra Venkataraman (Retd.) (Member)	Yes	Yes	Yes
Sri M Sankar (Member) ¹	Yes	Yes	Yes

evaluate the efficacy with which services as mandated statutorily are extended to the Shareholders / Investors of the Company. The Committee periodically reviews the services as rendered to the Shareholders particularly with the redressal of complaints / grievances of Shareholders like delay in transfer / transmission of Shares, non-receipt of Annual Report, non-receipt of declared Dividends, issue of duplicate certificates etc., and on the action taken by the Company on the above matters.

Sri C R Shivkumaran, Company Secretary serves as the Compliance Officer / Secretary of the Committee.

During the year under review, 2 (two) complaints were received from the Shareholders and the same were resolved. Hence, no complaint / query is remaining unresolved & pending as on 31st March 2024.

on 24th April 2023, 08th August 2023, 12th October 2023, 31st October 2023, 24th November 2023, 27th December 2023, 16th February 2024 and 25th March 2024 during the year under review.

8. RISK MANAGEMENT COMMITTEE:

As required under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Risk Management Committee has been constituted with a majority consisting of Board of Directors as its Members.

The Risk Management Committee monitors, reviews the Risk Management plan of the Company and performs such other functions as mandated by the Board of Directors.

Table B – Attendance details of Members (Executives):

Name of the Member	Date of the Meeting and attendance details		
	24 th May 2023	25 th October 2023	12 th February 2024
Sri N Krishna Kumar (Member) ²	NA	Yes	Yes
Sri K Sreeramachandra Murthy (Member) ²	No	NA	NA

¹Sri M Sankar, previously designated as President – TMD, was appointed as Director Operations with effect from 25th October 2023.

The Committee was reconstituted by the Board of Directors at their Meeting held on 24th May 2023.

²Sri K Sreeramachandra Murthy was replaced by Sri N Krishna Kumar with effect from 24th May 2023.

Sri C R Shivkumaran, Company Secretary serves as the Secretary of the Committee.

9. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee was constituted in compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate policies, indicate the activities / projects and the amount of expenditure to be incurred in relation to the CSR activities of the Company.

The Committee met twice during the year under review on 24th May 2023 and 25th October 2023. The composition of the Corporate Social Responsibility Committee and the details of attendance of Members is as follows:

Name of the Member	Date of the Meeting and attendance details	
	24 th May 2023	25 th October 2023
Sri Sanjay Jayavarthanelu (Chairman)	Yes	Yes
Sri Aditya Himatsingka (Member)	Yes	No
Sri Arun Alagappan (Member)	Yes	Yes

Sri C R Shivkumaran, Company Secretary serves as the Secretary of the Committee.

10. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

Name of Senior Management Personnel ("SMP")	Designation	Changes if any, since the previous financial year (Yes / No)	Nature of change and effective date
Sri K Soundhar Rajhan	Chief Strategy Officer	Yes	Recognised as SMP w.e.f. 01 st August 2023
Sri M Sankar	President	Yes	Appointed as Director w.e.f. 25 th October 2023
Sri N Krishna Kumar	President	No	-
Sri S Rajasekaran	Senior Vice President	No	-
Sri V Senthil	Chief Financial Officer	No	-
Sri Sanjay Ahuja	Head HR	No	-
Sri S Ravichandran	Senior General Manager	No	-
Sri C R Shivkumaran	Company Secretary	No	-
Sri B N Nandhakumar	Vice President	Yes	Resigned on 03 rd August 2023

11. GENERAL BODY MEETINGS:

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

Type	Venue	Day	Date	Time (IST)
AGM	via Video Conference from "Lakshmi", No.34-A, Kamaraj Road, Coimbatore - 641018, Tamil Nadu, India.	Wednesday	21 st July 2021	03:30 P.M
AGM	-do-	Monday	25 th July 2022	03:30 P.M
AGM	-do-	Monday	31 st July 2023	03:30 P.M

Details of special resolution passed in the AGM

AGM Date	Particulars of Resolution
21 st July 2021	Re-appointment of Sri Sanjay Jayavarthanavelu (DIN: 00004505) as Managing Director of the Company. Re-appointment of Sri Arun Alagappan (DIN: 00291361) as an Independent Director of the Company.
25 th July 2022	Appointment of Sri Aroon Raman (DIN: 00201205) as an Independent Director of the Company.
31 st July 2023	Appointment of Sri Jaidev Jayavarthanavelu (DIN: 07654117) as Wholetime Director of the Company.

12. POSTAL BALLOT:

The Company had approached the Shareholders during the year under review through Postal Ballot.

The details of Resolutions passed through Postal Ballot and the voting pattern for the said Resolution are disclosed as under:

Date of Postal Ballot Notice: 25 th October 2023								
Cut-off date: 10 th November 2023				Voting period for Postal Ballot (E-Voting): From 17 th November 2023 to 16 th December 2023				
Date of approval: 16 th December 2023				Date of declaration of results: 18 th December 2023				
Resolution Particulars	Type of Resolution	No of Votes polled	Votes cast in favour		Votes cast against		Invalid votes cast	
			No of votes	%	No of votes	%	No of votes	
Approval for Appointment of Sri M Sankar (DIN: 10362673) as a Director of the Company.	Ordinary	77,90,983	73,89,973	99.06	70,340	0.94	3,30,670	
Approval for Appointment of Sri M Sankar (DIN: 10362673) as Wholetime Director (designated as Director Operations) of the Company and approval of his remuneration.	Special	77,90,992	74,00,754	99.20	59,568	0.80	3,30,670	

Procedure for Postal Ballot:

In accordance with the MCA Circulars, the Postal Ballot Notice dated 25th October 2023, was sent only by electronic mode to those members whose names appeared in the Register of Members / List of Beneficial Owners as on 10th November 2023 ("Cut-Off Date") as received from the Depositories and whose e-mail addresses were registered with the Company / Depositories.

Sri M D Selvaraj, FCS, Managing Partner of M/s. MDS & Associates LLP, Company Secretaries, Coimbatore was appointed as the Scrutinizer for carrying on the Postal Ballot process in a fair and transparent manner.

Pursuant to the provisions of Sections 108 & 110 of the Companies Act, 2013 read with Rule 22 of the

Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Resolutions as specified in the Notice of the Postal Ballot dated 25th October 2023 (as specified above) were transacted through Postal Ballot only by way of remote e-Voting.

The Company had engaged the services of the National Securities Depository Limited ("NSDL") for providing an e-Voting facility to the Members. The Members were provided with the option of exercising their right to vote on the said resolution through e-Voting during the period from 17th November 2023 to 16th December 2023. Upon completion of the voting period, the Scrutinizer completed the scrutiny of votes cast and submitted

his report to the Chairman and Managing Director. The results of the voting were declared on Monday, 18th December 2023 and displayed on the websites of the Stock Exchanges, the Company and the NSDL.

Note: As per the requirements of Schedule V, Part C, 7(e) of SEBI (Listing Obligations and Disclosure Requirements) 2015, it is being informed that there is no proposal as on the date of this report to pass any Special Resolution through Postal Ballot.

13. MEANS OF COMMUNICATION:

The Company is conscious of the importance of timely dissemination of adequate information to the Stakeholders. The dates of General Body Meetings, Book

Closure and Quarterly Unaudited results and Audited Financial Results are being published in The Hindu Business Line English daily Newspaper(s) and Dinamalar Tamil daily Newspaper(s) and is also being informed to the 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, Product Range, official news releases, if any and presentations, if any, made to institutional investors/ to the analysts are posted and updated on the Company's website www.lmwglobal.com.

14. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

Day and Date	Wednesday, 31 st July 2024
Time	03:30 P.M (IST)
Venue	Via Video Conferencing / Other Audio Visual means; from the deemed venue: "Lakshmi", No.34-A, Kamaraj Road, Coimbatore – 641018, Tamil Nadu, India.

Financial Calendar:

Financial Year	01 st April 2023 to 31 st March 2024
Date of Book Closure	25 th July 2024 to 31 st July 2024
Dividend Payment date	14 th August 2024

Name and Address of the Stock Exchanges where the Company's shares are listed:

The equity shares of the Company are listed in:

BSE Limited (Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001).

National Stock Exchange of India Limited (Address: Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra East, Mumbai- 400051).

Annual Listing fees has been duly paid to both the Stock Exchanges.

Stock / Scrip Code & ISIN:

BSE Limited ("BSE") Scrip Code	National Stock Exchange of India Limited ("NSE") Symbol	ISIN
500252	LAXMIMACH	INE269B01029

Market Price data of Shares:

The monthly high & low of Company's Share Price quoted in BSE / NSE during the Financial Year 2023-24 is given below:

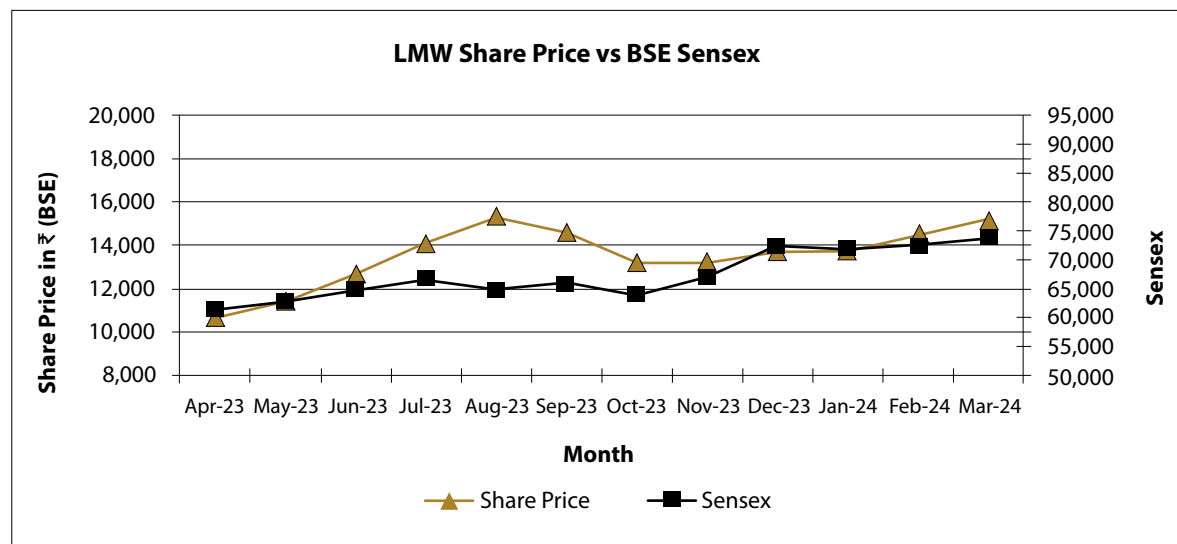
(Amount in ₹)

Month & Year	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April 2023	11,226	9,031	11,225	9,975
May 2023	11,769	10,738	11,776	10,820
June 2023	13,245	11,437	13,255	11,450
July 2023	14,444	12,842	14,442	12,784
August 2023	15,450	12,840	15,500	12,832
September 2023	15,501	14,409	15,498	14,375
October 2023	14,799	12,955	14,800	12,925
November 2023	14,450	12,730	13,525	12,722
December 2023	13,973	13,100	13,923	13,105
January 2024	14,393	13,000	14,435	12,984
February 2024	15,002	13,533	15,000	13,544
March 2024	16,667	13,350	16,650	13,333

Note: Prices are rounded off

Company's Share Price performance in comparison with BSE Sensex:

The Shares of the Company are regularly traded and in no point of time the Shares were suspended for trading in any of the Stock Exchanges wherein the Company's Shares are listed.



Registrar & Share Transfer Agent:

During the year under review, the Hon'ble National Company Law Tribunal approved the merger of M/s S.K.D.C. Consultants Limited (existing Registrar and Share Transfer Agent) with its holding Company M/s Link Intime India Private Limited. Required intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was made to the stock exchanges.

Transfer, transmission, transposition of name, split, consolidation, recording change of name of Shareholders, issue of duplicate certificate, dematerialization, rematerialization and such other matters relating to the Equity Shares of the Company are entrusted to the Registrar and Share Transfer Agent M/s Link Intime India Private Limited, Surya, 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028. Link Intime India Private Limited are the connectivity provider for Demat Segment.

Share Transfer System:

The Board has delegated the authority for approving transmission, dematerialization of shares etc. to the Shares and Debentures Committee. The Company obtains an annual certificate from Practising Company Secretaries as per the requirement of Regulation 40(9) of the SEBI Listing Regulations and the same is filed with the Stock Exchanges.

In terms of amended Regulation 40 of the SEBI Listing Regulations w.e.f. 01st April 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, w.e.f. 24th January 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/consolidation of securities, transmission/ transposition of securities. Vide its Circular dated 25th January 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

Distribution of Shareholding as on 31st March 2024:

Range (Number of Shares)	Number of Shares	% to total number of Shares	Number of Shareholders	% to total number of Shareholders
1 - 500	9,30,612	8.71	32,983	97.97
501 - 1,000	2,41,744	2.26	321	0.95
1,001 - 2,000	2,33,654	2.19	162	0.48
2,001 - 3,000	1,19,684	1.12	47	0.14
3,001 - 4,000	96,057	0.90	28	0.08
4,001 - 5,000	74,682	0.70	16	0.05
5,001 - 10,000	2,37,948	2.23	31	0.09
10,001 and above	87,48,619	81.89	79	0.24
Total	1,06,83,000	100.00	33,667	100.00

Dematerialization of Shares and Liquidity:

The Company's shares are available for trading in the depository system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March 2024, 1,06,47,658 Equity Shares constituting 99.66 percent of the paid-up Equity Share Capital of the Company has been dematerialized.

Shareholders' Rights – Information on Financial Results

As the Company's quarterly, half yearly and yearly results are published in one English national newspaper having circulation all over India and in a regional newspaper (Tamil) having circulation in Tamil Nadu, the same are not sent separately to the shareholders, but hosted on the Company's website www.lmwglobal.com.

Depository Receipts and Convertible Instruments:

The Company has not issued any Global Depository Receipts, American Depository Receipts or convertible instruments of any kind.

Foreign Exchange hedging and Monitoring of Commodity Prices:

The Company does not have foreign exchange exposure and has not undertaken any hedging activity in foreign

exchange and commodity markets. The Company has a mechanism in place to continuously monitor commodity price movement and take appropriate action, if necessary, to ensure better cost control.

Plant Locations:

The Company's plants are situated at the following locations in Tamil Nadu, India:

Textile Machinery Division:	
Unit - I	SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore - 641020
Unit - II	Kaniyur, Coimbatore - 641659
Machine Tool Division:	
Unit - I	Arasur, Coimbatore - 641407
Unit - II	Muthugoundenpudur, Coimbatore - 641402
Foundry Division	Arasur, Coimbatore - 641407
Foundry and Machine Shop	Arasur, Coimbatore - 641407
Advanced Technology Centre	Ganapathy, Coimbatore - 641006
Windmill Power Generating Facility	Udumalpet (TK), Tirupur District
Solar Power Generating Facility	Kondampatti, Coimbatore District Vadachitoor, Coimbatore District

Address for Correspondence:

All Shareholder correspondence should be addressed to:

The Company Secretary
Lakshmi Machine Works Limited
Corporate Office
34-A, Kamaraj Road,
Coimbatore - 641018
E-mail : secretarial@lmw.co.in
Phone : +91 422 7198100

Credit Rating:

The Company does not have any debt instrument or a fixed deposit program or any scheme or proposal involving mobilisation of funds either in India or abroad that requires Credit Rating.

15. OTHER 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.
 - No penalty or strictures have been imposed on the Company by any Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years.
 - Whistle Blower Policy has been adopted by the Company, the whistle blower mechanism is in vogue and no personnel has been denied access to the Audit Committee.
 - All the mandatory requirements have been duly complied with.
 - The Company's Policy relating to determination of Material Subsidiaries is available at the Company's website at: <https://www.lmwglobal.com/pdf/investors1/policies/09 Policy on Material Subsidiary.pdf>.
 - The policy of the Company relating to Related Party Transactions is available at the Company's website at: <https://www.lmwglobal.com/pdf/investors1/policies/11 Related Party Transaction Policy.pdf>.
 - The Company is not undertaking any commodity hedging activities, hence there is no risk of commodity hedging to the Company.
- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or in continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to the Annual Report.
 - During the year under review, the recommendations made by different Committees of the Board of Directors have been accepted and there were no instances where the Board of Directors have not accepted any such recommendation.
 - The Company has paid a sum of ₹15,00,000/- as fees on a consolidated basis to the Statutory Auditor and all entities in the network firm / entity of which the Statutory Auditor is a part for the services rendered by them.
 - As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2023-24, no complaint was received by the Committee. As such, there are no complaints pending as at the end of the Financial Year.
 - The Company has no inter-corporate loans as on 31st March 2024.
 - The Company does not have any material subsidiaries, accordingly, the disclosure requirements in relation to the date and place of incorporation and the name and date of appointment of statutory auditors of such subsidiaries does not arise.
- 16.** All the requirements of Corporate Governance Report of sub paragraphs (2) to (10) Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been duly complied with.
- 17.** None of the discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been adopted.

18. The internal auditors of the Company report to the Audit Committee and make detailed presentation at quarterly meetings.
19. The Company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

20. DETAILS OF UNCLAIMED SHARES KEPT IN DEMAT SUSPENSE ACCOUNT:

As required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Share Certificates issued on the subdivision of the face value of the Shares and remaining unclaimed after giving three reminders under registered post to the respective Shareholder's last known address, have been transferred to a separate Demat Account opened in the

name Lakshmi Machine Works Limited - Unclaimed Suspense Account with the Stock Holding Corporation of India, Coimbatore, Tamil Nadu, India.

As on 01st April 2024, Lakshmi Machine Works Limited - Unclaimed Suspense Account had a nil balance of Shares. This is on account of shares being either claimed by the Shareholders or because of transfer to the Investor Education and Protection Fund ("IEPF") during previous years.

21. In Compliance with SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, the Company has opened a Suspense Escrow Demat Account.
22. There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

By order of the Board

Place : Coimbatore
Date : 27th May 2024

Sanjay Jayavarthanelu
Chairman and Managing Director
DIN : 00004505

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members of

LAKSHMI MACHINE WORKS LIMITED

(CIN: L29269TZ1962PLC000463)

SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore – 641020

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. LAKSHMI MACHINE WORKS LIMITED** having CIN L29269TZ1962PLC000463 and having registered office at SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore – 641020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Sanjay Jayavarthanelu (Chairman and Managing Director)	00004505	24/02/1993
2	Mr. Sundaram Pathy	00013899	21/03/1973
3	Mr. Aditya Himatsingka	00138970	25/10/2010
4	Mr. Mukund Govind Rajan	00141258	25/10/2010
5	Mr. Arun Alagappan	00291361	26/10/2016
6	Justice (Smt) Chitra Venkataraman (Retd.)	07044099	02/02/2015
7	Mr. Jaidev Jayavarthanelu (Wholetime Director)	07654117	11/05/2022
8	Mr. Aroon Raman	00201205	11/05/2022
9	Mr. Muthulingam Sankar (Wholetime Director designated as Director Operations)	10362673	25/10/2023

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

For **MDS & Associates LLP**
Company Secretaries

M D Selvaraj

Managing Partner

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

Peer Review No. 3030/2023

UDIN: F000960F000418168

Place : Coimbatore

Date : 27th May 2024

CEO & CFO CERTIFICATE

The Board of Directors
Lakshmi Machine Works Limited
Coimbatore

27th May 2024

Annual Confirmation pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the year ended 31st March 2024 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 of:
 - i) significant changes if any, in internal control over financial reporting during the year;
 - ii) significant changes if any, 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.

Sanjay Jayavarthanelu

Chairman and Managing Director [CEO]
DIN : 00004505

V Senthil

Chief Financial Officer [CFO]

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

I hereby declare that pursuant to Schedule V (Part D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 compliance with the said Code of Conduct during the year 2023-24.

Place : Coimbatore
Date : 27th May 2024

Sanjay Jayavarthanelu
Chairman and Managing Director [CEO]
DIN : 00004505

Standalone Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF **LAKSHMI MACHINE WORKS LIMITED**
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **LAKSHMI MACHINE WORKS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies, Notes to the Financial Statements and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter

Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in respect of "Revenue from contracts with Customers" under Ind AS 115.

The application of this revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period, and disclosures including presentations of balances in the financial statements. Estimated efforts is a critical estimate to determine revenue, as it requires consideration of progress of the contract, efforts incurred till date, efforts required to complete the remaining performance obligation.

Response to Key Audit Matter

Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows:

- Evaluated the effectiveness of controls over the preparation of information that are designed to ensure the completeness and accuracy.
- Selected a sample of existing continuing contracts and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.
- Tested the relevant information, accounting systems and change relating to contracts and related information

used in recording and disclosing revenue in accordance with Ind AS 115.

- Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.
- Performed analytical procedures and test of details for reasonableness and other related material items.

Assessment of carrying value of investments

The company has invested in listed equity instruments and debt instruments. We consider this as a key audit matter given the relative significance of the value of investments.

Our procedures in relation to assessing the carrying value of investments include the following observations.

- The quoted equity investments are carried at fair value as on 31st March 2024.
- The investments in unquoted equity instruments are carried at cost. During the year the company has made new investments.
- During the year the company has sold investments in non-convertible debentures. The remaining investments in debentures are measured at cost.
- Investment in debt oriented mutual funds has been recognized at fair market value as on 31st March 2024.

Assessment of Contingent Liability

There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter under consideration and judgments / interpretation of law involved.

(Refer Note 30.1 to the standalone financial statements)

The audit procedures included but were not limited to:

- Obtaining a detailed understanding processes and controls of the Management with respect to claims or disputes.
- Performing following procedures on samples selected.
- Understanding the matters by reading the correspondences, communications, minutes of the management meeting.
- Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with the basis, and the future course of action contemplated by the Company, and perusing legal opinions, if any, obtained by the Management.
- Obtaining direct confirmation from the legal attorneys of the company and considering their opinions /probability assessment of the outcomes.
- Evaluating the evidence supporting the judgement of the management about possible outcomes and the reasonableness of the estimates.
- Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.

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

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

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance, conclusion thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that gives a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement

of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 30.1 to Standalone Financial Statements.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 18 to Standalone Financial Statements.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April, 2023.
- Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.
- As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **S. Krishnamoorthy & Co**
Chartered Accountants
Firm Registration No.0014965

B. Krishnamoorthi
Partner

Place : Coimbatore
Date : 27th May 2024

Membership No.020439
UDIN: 24020439BKABBV3065

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' section of our report to the Members of **LAKSHMI MACHINE WORKS LIMITED** on the Standalone Financial Statements for the year ended March 31,2024)

To the best of our information and according to the explanations provided to us by the company and the books of accounts and records examined by us in the normal course of audit we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The company has maintained proper records showing full particulars of Intangible assets.
 - (b) The company has a program of physical verification of Property, Plant and Equipment so to cover all assets once every three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts and lease agreement for land on which the building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties(other than properties where the company is lessee and the lease agreements are duly executed in favour of the lessee),disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the company as at the balance sheet date.
 - (d) The company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or pending against the company as at March 31, 2024 for holding any benami property under the Benami Transactions (prohibition) Act, 1998 (as amended in 2016) and rules made thereunder.
- (ii) (a) The physical verification of inventory has been conducted by the management at reasonable intervals. The Company has maintained proper records of inventory and no material discrepancies were noticed on the physical verification of inventories as compared to the book records.
 - (b) During the year, the company has not borrowed any working capital loans from banks or financial institutions. Thus, no quarterly returns or statements have been filed by the company with such banks or financial institutions. Hence, the same is not applicable to the company.
- (iii) The company has made investments in subsidiaries, during the year, in respect of which:
 - (a) The company has not provided any loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity during the year.
 - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
 - (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
 - (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance,

Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(c) Details of dues of GST and Excise Duty which have not been deposited as at March 31, 2024 on account of dispute are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Tax disputes (₹ in Crores)	Sum of Deposit (₹ in Crores)
Goods and Service Tax Act, 2017	e-way bill issues	Pending Before Karnataka State Tax Office, Mysore	2022-2023	0.05	0.05
		Pending Before Tamil Nadu State Tax Office, Salem	2022-2023	0.01	0.01
		Pending Before Tamil Nadu State Tax Office, Villupuram	2022-2023	0.15	0.15
The Central Excise Act, 1944	Cenvat Credit	Deputy/Assistant Commissioner	2023-2024	0.06	0.06
			2001-2002	0.18	0.18
			2002-2003	0.92	0.00
		CESTAT	2006-2007	0.04	0.00
			1996-1997	0.01	0.00
			2000-2002	0.02	0.00
			2009-2014	0.31	0.05
Goods and Service Tax Act, 2017	Cenvat Credit	CESTAT	2011-2012	0.57	0.06
			2017-2018	0.55	0.47
The Central Excise Act, 1944	Input Tax Credit dispute	CESTAT	2023-2024	0.49	0.05
			2012-2013	0.02	0.01
The Central Excise Act, 1944	Proof of Export	CESTAT	2009-2013	4.98	0.19

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (e) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports till year ended 31st March 2024 under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and (b) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a

period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For **S. Krishnamoorthy & Co**
Chartered Accountants
Firm Registration No.001496S

B. Krishnamoorthi
Partner
Membership No.020439
UDIN: 24020439BKABBV3065

Place : Coimbatore
Date : 27th May 2024

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of the Independent Auditors’ section of our report to the Members of **LAKSHMI MACHINE WORKS LIMITED** on the Standalone Financial Statements for the year ended March 31,2024)

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

We have audited the internal financial controls over financial reporting of LAKSHMI MACHINE WORKS LIMITED (“the Company”) as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. Krishnamoorthy & Co**
Chartered Accountants
Firm Registration No.001496S

B. Krishnamoorthi
Partner
Membership No.020439
UDIN: 24020439BKABBV3065

Place : Coimbatore
Date : 27th May 2024

Balance Sheet

As at 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at 31 st March 2024	As at 31 st March 2023
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	916.16	847.44
Capital work-in-progress	3	9.31	22.78
Other Intangible assets	4	14.09	15.40
Financial Assets			
(i) Investments	5		
a) Investments in subsidiaries		72.76	72.76
b) Other investments		282.87	182.93
(ii) Other financial assets	9	485.59	727.55
Total Non - Current Assets		1,780.78	1,868.86
Current Assets			
Inventories	6	558.24	644.02
Financial Assets			
(i) Investments	5	350.12	325.42
(ii) Trade receivables	7	180.86	307.60
(iii) Cash and cash equivalents	8(a)	64.11	90.45
(iv) Bank balances other than (iii) above	8(b)	833.60	601.19
(v) Other financial assets	9	78.50	41.20
Current Tax Assets (Net)	10	34.28	25.60
Other current assets	11	103.67	159.99
Total Current Assets		2,203.38	2,195.47
Total Assets		3,984.16	4,064.33
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	10.68	10.68
Other Equity	13	2,651.61	2,289.31
Equity attributable to owners of the Company		2,662.29	2,299.99
Total Equity		2,662.29	2,299.99
Liabilities			
Non-Current Liabilities			
Deferred tax liabilities (Net)	14	47.48	48.43
Other non-current liabilities	15	222.55	334.22
Total Non - Current Liabilities		270.03	382.65
Current Liabilities			
Financial Liabilities			
(i) Trade payables	16		
Due to Micro and Small Enterprises		54.03	8.37
Due to Others		506.39	719.84
(ii) Other financial liabilities	17	139.59	141.84
Provisions	18	18.08	18.12
Other current liabilities	19	333.75	493.52
Total Current Liabilities		1,051.84	1,381.69
Total Liabilities		1,321.87	1,764.34
Total Equity and Liabilities		3,984.16	4,064.33

See accompanying notes to financial statements

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In terms of our report attached
For **S. Krishnamoorthy & Co**
Firm Registration No. 001496S
Chartered Accountants

B. Krishnamoorthi
Partner
Membership No. 020439

Place : Coimbatore
Date : 27th May 2024

For and on behalf of the Board of Directors

Sanjay Jayavarthanavelu
Chairman and Managing Director
DIN: 00004505

V. Senthil
Chief Financial Officer

Jaidev Jayavarthanavelu
Wholtime Director
DIN: 07654117

C R Shivkumaran
Company Secretary

Statement of Profit & Loss

For the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year Ended 31 st March 2024	Year Ended 31 st March 2023
INCOME			
Revenue from operations	20	4,597.14	4,533.23
Other income	21	141.80	156.03
Total Income		4,738.94	4,689.26
EXPENSES			
Cost of materials consumed	22	2,905.35	2,974.45
Purchase of stock in trade		-	-
Changes in inventories of finished goods, Work-in-progress and Stock in trade	23	29.27	(57.41)
Employee benefit expense	24	394.99	365.94
Depreciation and amortisation expense	25	91.74	73.43
Impairment loss on financial assets	26	6.13	3.46
Other expenses	27	831.58	843.98
Finance costs	28	-	-
Total Expenses		4,259.06	4,203.85
Profit before exceptional items and tax		479.88	485.41
Exceptional Items			
Voluntary retirement scheme payments	30.5	-	-
Profit before tax after exceptional items		479.88	485.41
Tax Expense	29		
Current tax	29.1	109.45	110.00
Deferred tax	29.1	(0.95)	25.20
Total Tax expense		108.50	135.20
Profit after tax from continuing operations for the year		371.38	350.21
Other comprehensive income			
Items that will not be reclassified to Profit and loss			
Changes in Fair value of FVTOCI equity instruments (Fair value through Other Comprehensive Income)		94.75	5.30
Remeasurement of post-employment defined benefit plans		1.87	2.65
Income-tax relating to these items		(0.47)	(0.66)
Items that will be reclassified to Profit and loss		-	-
Total Other Comprehensive Income to owners of equity		96.15	7.29
Total Comprehensive Income for the year to owners of equity		467.53	357.50
Basic Earnings per share [In ₹][Face value ₹10/- per share]		347.64	327.82
Diluted Earnings per share [In ₹][Face value ₹10/- per share]		347.64	327.82

See accompanying notes to financial statements

30

In terms of our report attached
For **S. Krishnamoorthy & Co**
Firm Registration No. 001496S
Chartered Accountants

B. Krishnamoorthi
Partner
Membership No. 020439

Place : Coimbatore
Date : 27th May 2024

For and on behalf of the Board of Directors

Sanjay Jayavarthanavelu
Chairman and Managing Director
DIN: 00004505

V. Senthil
Chief Financial Officer

Jaidev Jayavarthanavelu
Wholetime Director
DIN: 07654117

C R Shivkumaran
Company Secretary

Statement of Changes in Equity

For the year ended 31st March 2024

Equity Share Capital

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Opening Balance	10.68	10.68
Changes in equity share capital during the year	-	-
Closing Balance	10.68	10.68

Particulars	Reserves and Surplus				Other Comprehensive Income							Total	
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of foreign operation	Other Items of Other Comprehensive Income (specify nature)		Money received against share warrants
Balance at the beginning of the year	7.01	-	1.69	207.83	1,923.62	-	149.16	-	-	-	-	-	2,289.31
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the year	-	-	-	-	1.40	-	94.75	-	-	-	-	-	96.15
Total Comprehensive Income for the year	-	-	-	-	(105.23)	-	-	-	-	-	-	-	(105.23)
Dividends	-	-	-	-	371.38	-	-	-	-	-	-	-	371.38
Transfer to retained earnings	-	-	-	-	(37.00)	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	37.00	-	-	-	-	-	-	-	-	-
Balance at the end of the year	7.01	1.69	244.83	2,154.17	2,154.17	243.91	243.91	149.16	243.91	243.91	243.91	243.91	2,651.61
Statement of Changes in Equity for the year ended 31st March 2023													
Balance at the beginning of the year	7.01	-	1.69	172.83	1,649.15	-	143.86	-	-	-	-	-	1,974.54
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	1.99	-	5.30	-	-	-	-	-	7.29
Dividends	-	-	-	-	(42.73)	-	-	-	-	-	-	-	(42.73)
Transfer to retained earnings	-	-	-	-	350.21	-	-	-	-	-	-	-	350.21
Transfer to General Reserve	-	-	-	35.00	(35.00)	-	-	-	-	-	-	-	-
Balance at the end of the year	7.01	1.69	207.83	1,923.62	1,923.62	149.16	149.16	149.16	149.16	149.16	149.16	149.16	2,289.31

For and on behalf of the Board of Directors

In terms of our report attached
For **S. Krishnamoorthy & Co**
Firm Registration No. 001496S
Chartered Accountants

B. Krishnamoorthi
Partner
Membership No. 020439
Place : Coimbatore
Date : 27th May 2024

Sanjay Jayavarthanavelu
Chairman and Managing Director
DIN: 00004505

V. Senthil
Chief Financial Officer

C.R. Shivkumaran
Company Secretary

Jaidev Jayavarthanavelu
Wholetime Director
DIN: 07654117

Cash Flow Statement

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year Ended 31 st March 2024		Year Ended 31 st March 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit after exceptional items but before tax		479.88		485.41
Adjustments for :				
Depreciation and amortisation expense	91.74		73.43	
Profit on sale of assets	(1.59)		(24.15)	
Loss on sale of assets	0.30		0.90	
Interest income	(90.58)		(67.82)	
Dividend income	(0.68)		(1.14)	
Profit from Redemption of Debentures / Mutual Fund	(0.46)		(4.75)	
Income from Mutual funds designated at FVTPL	(24.70)		(9.93)	
Unrealised Loss / (Gain) on Foreign Currency Cash and cash equivalents	0.01	(25.96)	0.00	(33.46)
Operating Profit before working capital changes		453.92		451.95
Adjustments for (increase) / decrease in operating assets				
Trade receivables	126.74		14.91	
Inventories	85.78		(146.56)	
Other financial assets-Non Current	(17.89)		0.77	
Other financial assets- Current	(6.74)		(7.23)	
Other Current assets	56.31		(37.03)	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	(167.79)		159.59	
Other non current liabilities	(109.80)		(95.08)	
Current provisions	(0.04)		6.05	
Other financial liabilities	(2.00)		52.31	
Other current liabilities	(159.77)	(195.20)	(22.74)	(75.01)
Cash used in/ generated from operations		258.72		376.94
Taxes paid		(118.59)		(53.11)
Net Cash used in/generated from operations	[A]	140.13		323.83
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed assets / Capital Work In Progress		(146.24)		(274.22)
Proceeds from sale of fixed assets		1.85		25.02
Interest received		70.69		63.19
Dividend received		0.68		1.14
Investment in Wolly Owned Subsidiarie(s)		-		(0.09)
Investment in Equity Shares / Mutual Funds / Debentures		(8.34)		(71.91)
Proceeds of Sale from Redemption of debenture / Mutual Funds		3.61		31.96
(Increase) / Decrease in Bank balances not considered as cash and cash equivalent		16.77		(19.63)
Net cash used in investing activities	[B]	(60.98)		(244.54)

Cash Flow Statement (contd..)

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
C. CASHFLOW FROM FINANCING ACTIVITIES		
Dividends paid	(105.23)	(42.73)
Transfer of Unpaid Dividends to IEPF	(0.25)	(0.24)
Finance cost	-	-
Net cash used in financing activities	[C] (105.48)	(42.97)
Net Increase in Cash and Cash Equivalents	[A + B + C] (26.33)	36.32
Cash and cash equivalents at beginning of the year	[D] 90.45	54.13
Cash and cash equivalents at end of the year	[E] 64.12	90.45
Net increase / (decrease) in cash and cash equivalents	[E-D] (26.33)	36.32
Cash & Cash equivalents as per Balance Sheet	64.11	90.45
Unrealised Loss / (Gain) on Foreign Currency Cash and cash equivalents	0.01	0.00
Cash and Cash equivalents as per Cash flow Statement	64.12	90.45

See accompanying notes to financial statements

In terms of our report attached
For **S. Krishnamoorthy & Co**
Firm Registration No. 001496S
Chartered Accountants

B. Krishnamoorthi
Partner
Membership No. 020439

Place : Coimbatore
Date : 27th May 2024

For and on behalf of the Board of Directors

Sanjay Jayavarthanelu
Chairman and Managing Director
DIN: 00004505

V. Senthil
Chief Financial Officer

Jaidev Jayavarthanelu
Wholetime Director
DIN: 07654117

C R Shivkumaran
Company Secretary

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

1. Corporate Information

Lakshmi Machine Works Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its registered office and principal place of business are disclosed in the introduction to the Annual report. Its shares are listed on two stock exchanges in India, the National Stock Exchange of India Limited [NSE] and the BSE Limited [BSE]. 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. The financial statements are approved for issue by the Company's Board of Directors on 27th May 2024.

2. Material Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with IND AS notified under Sec. 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into:

Level 1 (unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date);

Level 2 (inputs other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly;

Level 3 (unobservable inputs for the asset or liability). Fair value in respect of equity financial instruments are the quoted prices of those instruments in the stock exchanges at the measurement date.

a) Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

b) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (₹) which is the Company's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest Crores except where otherwise indicated.

c) Use of Estimates

The preparation of standalone financial statements in conformity with Ind AS requires the management to make estimates and judgements that affect the

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are reflected in the standalone financial statements in the year in which the changes are made.

Significant estimates and assumptions are used for, but not limited to,

- a) Estimation of useful life of Property, Plant and Equipment, Refer Note 2.3 & Note 3
- b) Estimation of useful life of Intangible Assets – Refer Note 2.4 & Note 4
- c) Provisions and Contingent Liabilities – Refer Note 30.1
- d) Recognition of deferred taxes – Refer Note 14
- e) Key actuarial assumptions for measurement of future obligations under employee benefit plans – Refer Note 30.9

d) Recent accounting pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 1, 2023.

a) Definition of Accounting estimates – Amendments to Ind AS 8 :

The amendments clarify the distinction between the changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are not expected to have a material impact on the company's financial statements.

b) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more

useful by replacing the requirements for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Company does not expect this amendment to have any significant impact in its financial statements.

c) Deferred Tax related to Assets and Liabilities arising from single transaction – Amendments to Ind AS 12

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and there is no impact on its financial statement.

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

2.3 Property, plant and equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any.

Increase/Decrease in rupee liability in respect of foreign currency liability related to acquisition of Property, Plant and Equipment is added to the cost of the asset.

Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Spare parts, stand-by equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Notes to the Standalone Financial Statements

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Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Property, plant and equipment represent a significant proportion of the asset base of the Company. Depreciation on Property, Plant and Equipment is provided using Straight Line Method (SLM) over the estimated useful life.

The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end with the effect of any changes in estimate accounted for on a prospective basis. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

The management estimates of the useful lives of the Property, Plant and Equipment are as follows:

Asset Type	Estimated Useful life
Buildings	20-60 years
Plant and Equipment	
a. Main Machines	8-20 years
b. Ancillary Machines	3-7 years
Windmills	22 years
Solar Project	10 Years
Furniture & fixtures	8-10 years
Vehicles	6-8 years
Office Equipment's	7-15 years

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

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

For transition to IND AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date)

measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.4 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The useful life of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end with the effect of any changes in estimate accounted for on a prospective basis. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

The management estimates of the useful lives of the intangible assets are as follows:

Asset Type	Useful Life
Technical Know how	6 years
Software	6 years

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

An intangible asset is de-recognised upon disposal or when no future economic benefits are expected to arise.

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is de-recognised.

For transition to IND AS, the company has elected to continue with the carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.5 Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs.

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

Subsequent to initial recognition, investment properties are measured in accordance with IND AS 16's requirements for cost model.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management's expert.

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

2.6 Impairment of assets

Property, Plant and Equipment or Intangible asset is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment has to be recognized in the Statement of Profit and Loss.

An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization) had no impairment loss been recognized for the asset in prior years.

2.7 Financial Instruments

Financial Asset

Initial recognition

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

Transaction costs that are directly attributable to the acquisition of financial assets (except for financial assets carried at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets carried at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. All fair value changes are recognised in the Other Comprehensive Income except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.

(iii) Financial assets carried at fair value through profit or loss (FVTPL)

Financial assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortised cost or at FVTOCI. Movement in Fair value changes are recognised in the statement of profit and loss.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The Company while applying EIR method, generally amortises any fees, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised in the Statement of Profit and Loss

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on an effective interest rate basis for financial assets other than those classified as at FVTPL. EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain/loss measured using the previous EIR as calculated before the modification, is recognised in the Statement of Profit and Loss in period during which such renegotiations occur

Investments in Equity Instruments

All equity investments other than in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Company chooses to make an irrevocable election and designates it as FVTOCI.

An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in "Reserve for Equity instruments through OCI". There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

Impairment of financial assets

Trade receivables, contract assets, lease receivables, investments in debt instruments that are carried at amortised cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses for the respective financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) throughout the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has

increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses.

To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers substantially all the risks and rewards of ownership of the financial asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all

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the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount (Measured at the date of derecognition) and the sum of the consideration received shall be recognised in the statement of profit and loss account.

Foreign exchange gains and losses

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

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

2.8 Equity Instruments & Financial Liabilities

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognized at the proceeds received.

Repurchase of the company's own equity instruments is recognized and deducted directly in equity.

Financial liabilities

Initial Recognition

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value on initial

recognition, except for trade payables. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

The Company's financial liabilities at amortized cost are initially recognized at net of transaction costs and includes trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income/Expense'.

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

Derecognition of financial liabilities

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

Notes to the Standalone Financial Statements

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Similarly, a substantial modification of the terms of an existing financial liability is accounted as derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognized in profit or loss.

2.9 Valuation of Inventories

Inventories are valued at lower of cost or 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.

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Translation of Foreign Currency Transactions

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

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

2.11 Recognition of Revenue

The Company identifies the contract with customer once the parties have approved the contract in writing and committed to perform the respective performance obligations. Any addition or alteration of contract shall be binding only if agreed to in writing. The Company identifies distinct performance obligations in the contract and recognizes revenue as and when the performance obligation is satisfied by transferring a promised good or service to a customer. The process of identifying distinct performance obligations requires exercising judgment to determine the deliverables and ability of the customer to benefit independently from such deliverables. The Company determines the transaction price which is the consideration that the Company expects to be entitled in exchange for good or service. The transaction price is then allocated to each performance obligation and revenue is recognized.

Sale of Goods: The Company manufactures and sells a range of Textile Machinery, Machine Tools, Accessories and parts, Castings and Aero-space Components. Revenue is recognised when control is transferred to the customer upon despatch or delivery of goods, based on the terms of contract.

The Company's obligation to replace faulty products under standard warranty terms is recognised as a provision (Refer Note. 18)

Rendering of Service: The Company renders services that include installation, maintenance, and other ancillary services. Revenue from services is recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with customer.

Export Incentives: 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 / REC entitlements are recognized on delivery thereof or sale of rights therein, as the case may be, in terms of the contract with the respective buyer.

Royalty: Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement.

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Dividend: Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided if it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Interest income: Interest income is accrued on a timely basis, reference to principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental Income: Rental Income is recognized on accrual basis in accordance with terms and conditions of respective rental agreements.

Income from Wind Energy: Revenue from power supply is recognized in terms of power purchase agreement entered with state distribution companies and is measured at the value of consideration received or receivable, net of discounts if any.

2.12 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of respective assets during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

2.13 Dividends

Final dividend on shares are recorded as a liability on the date of approval by the shareholders at the annual general meeting and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.14 Earnings per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

2.15 Employee Benefits

Short term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Defined Contribution Plans

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plans

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not re classified to profit or loss. Past services cost is recognized in profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); net interest expense or income and remeasurement. The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the

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termination benefit and when the entity recognizes any related restructuring costs.

2.16 Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits; it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

2.17 Taxes on Income

Income tax expense comprises current and deferred income tax.

Current Tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets / liabilities is reviewed at the end of each reporting period and reduced to

the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Current and Deferred Tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.18 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 / assets are not recognized but are disclosed in the notes to financial statements when an inflow of economic benefits is probable. Provisions, contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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

Present obligations, legal or constructive, arising under onerous contracts are recognized and measured as provisions.

An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

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Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the company's obligation.

2.19 Cash Flow Statement and Cash and Cash equivalents

Cash Flows are reported using Indirect method, whereby profit before tax is adjusted for the effects of transactions of 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.

2.20 Segment Reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the company's Chief Executive Officer (CEO), who is the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance. Information reported to the CODM for the purpose of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided.

The company has three reportable segments, viz., Textile Machinery Division, the Machine Tool Division / Foundry and the Advanced Technology Centre, which are the company's strategic business units. These business units offer different products and services and are managed separately because they require different technology and marketing strategies. For each of these business units, the company's CODM reviews internal management reports. Performance is measured based on segment profit before tax, as included in the internal management reports, that are reviewed by the company's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on arm's length basis.

2.21 Leases

The company as a Lessee

The Company's lease asset class primarily consists of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the lessee has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the lessee has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

If lease arrangements include the options to extend or terminate the lease before the end of the lease term, then ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date using written down value method. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

In case of short-term leases or leases for which underlying asset is of low value, the Company recognizes the lease

payments as an expense on a straight-line basis over the lease term.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

3. Property, Plant and Equipment and Capital Work-in-Progress

Particulars	As at 31 st March 2024	As at 31 st March 2023
Carrying amounts of:		
Freehold land	84.34	83.61
Buildings	195.23	176.19
Plant and Equipment	501.78	444.68
Furniture and fixtures	21.65	17.93
Vehicles	104.57	117.22
Office Equipment	8.59	7.81
Sub Total	916.16	847.44
Capital Work-in-progress	9.31	22.78
Sub Total	9.31	22.78
Total	925.47	870.22

Particulars	Freehold land	Buildings	Plant & Equipment	Furniture & fixtures	Vehicles	Office Equipments	Total	Capital Work in progress
Gross carrying amount								
Balance as at 31st March 2023	83.61	209.39	687.95	32.86	128.38	11.39	1,153.58	22.78
Additions	0.73	25.30	117.56	9.87	0.79	1.09	155.34	9.31
Disposals	-	-	(10.49)	(0.13)	(0.47)	-	(11.09)	(22.78)
Balance as at 31st March 2024	84.34	234.69	795.02	42.60	128.70	12.48	1,297.83	9.31
Accumulated depreciation and impairment								
Balance as at 31st March 2023	-	33.20	243.27	14.93	11.16	3.58	306.14	-
Disposals	-	-	(9.99)	(0.13)	(0.33)	-	(10.45)	-
Depreciation Expense	-	6.26	59.96	6.15	13.30	0.31	85.98	-
Balance as at 31st March 2024	-	39.46	293.24	20.95	24.13	3.89	381.67	-
Net carrying amount								
Balance as at 31st March 2023	83.61	176.19	444.68	17.93	117.22	7.81	847.44	22.78
Additions	0.73	25.30	117.56	9.87	0.79	1.09	155.34	9.31
Disposals	-	-	(0.50)	-	(0.14)	-	(0.64)	(22.78)
Depreciation expense	-	(6.26)	(59.96)	(6.15)	(13.30)	(0.31)	(85.98)	-
Balance as at 31st March 2024	84.34	195.23	501.78	21.65	104.57	8.59	916.16	9.31

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Property, Plant and Equipment include

Particulars	Gross Block	Additions	Depreciation for the year	Accumulated Depreciation	Net Block
Assets leased out as at 31st March 2024					
Buildings	2.49	-	0.02	1.92	0.57
Machinery	13.00	-	0.16	11.95	1.05
Total	15.49	-	0.18	13.87	1.62
Assets leased out as at 31st March 2023					
Buildings	2.49	-	0.02	1.90	0.59
Machinery	13.00	-	0.16	11.79	1.21
Total	15.49	-	0.18	13.69	1.80

Income from above leased assets ₹0.43 Crores is grouped in rent receipts (Previous year ₹0.42 Crores)

Title deeds of Immovable Property not held in the name of the Company - ₹ Nil

Capital-Work-in Progress (CWIP) as on 31st March 2024 and 31st March 2023:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.31	-	-	-	9.31
Previous Year	22.78	-	-	-	22.78
Projects temporarily suspended	-	-	-	-	-
Previous Year	-	-	-	-	-

4. Other intangible assets

Particulars	As at 31 st March 2024	As at 31 st March 2023
Carrying amounts of:		
Technical Knowhow	4.05	3.83
Software	10.04	11.57
Total	14.09	15.40

Particulars	Technical Knowhow	Software	Total
Gross carrying amount			
Balance at 31st March 2023	12.05	29.00	41.05
Additions	0.90	3.55	4.45
Eliminated on disposals of assets	-	-	-
Balance at 31st March 2024	12.95	32.55	45.50

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Technical Knowhow	Software	Total
Accumulated depreciation and impairment			
Balance at 31st March 2023	8.22	17.43	25.65
Eliminated on disposals of assets	-	-	-
Amortisation Expense	0.68	5.08	5.76
Balance at 31st March 2024	8.90	22.51	31.41
Carrying Amount			
Balance at 31st March 2023	3.83	11.57	15.40
Additions	0.90	3.55	4.45
Eliminated on disposals of assets	-	-	-
Amortisation Expense	(0.68)	(5.08)	(5.76)
Balance at 31st March 2024	4.05	10.04	14.09

5. Investments

Particulars	As at 31 st March 2024		As at 31 st March 2023	
	Quantity	Amount	Quantity	Amount
NON-CURRENT INVESTMENTS				
INVESTMENT IN EQUITY INSTRUMENTS				
Investment in unquoted equity instrument of wholly owned subsidiary [At Cost]				
LMW Textile Machinery (Suzhou) Co., Ltd, China		65.14		65.14
LMW Aerospace Industries Limited, India	25,00,000	2.50	25,00,000	2.50
LMW Global FZE, UAE	24,705	5.12	24,705	5.12
Total		72.76		72.76
a) Investment in quoted equity instruments (fully paid up) [At fair values]				
Cholamandalam Investment & Finance Co. Limited [Face Value ₹2 per share]	17,12,810	198.10	17,12,810	130.45
Indian Bank [Face Value ₹10 per share]	69,562	3.62	69,562	2.00
Lakshmi Automatic Loom Works Limited [Face Value ₹100 per share]	44,111	8.52	44,111	3.40
Pricol Limited [Face Value ₹1 per share]	24,975	0.97	24,975	0.52
Rajshree Sugars & Chemicals Limited [Face Value ₹10 per share]	1,00,000	0.58	1,00,000	0.39
Super Sales India Limited [Face Value ₹10 per share]	3,00,000	42.00	3,00,000	23.04
The Lakshmi Mills Company Limited [Face Value ₹100 per share]	26,916	10.73	26,916	9.97

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

5. Investments (Contd.)

Particulars	As at 31 st March 2024		As at 31 st March 2023	
	Quantity	Amount	Quantity	Amount
b) Investment in unquoted equity instruments (fully paid up)				
[At Cost]				
Sharada Chambers Premises Co-op Society Limited	5	0.00	5	0.00
Lakshmi Machine Works Employees Co-op Stores Limited	500	0.00	500	0.00
REPCO Bank	750	0.00	750	0.00
Circ, Inc		8.34		-
Total (a+b)		272.86		169.77
INVESTMENT IN DEBENTURES (at amortised cost)				
Fedbank Financial Services Limited [NCD]	1,000	10.01	1,000	10.01
Shriram Finance Limited [NCD]	-	-	30	3.15
Total - Debentures		10.01		13.16
Total Non-current investments		355.63		255.69
CURRENT INVESTMENTS				
INVESTMENTS IN MUTUAL FUNDS [at fair value]				
Aditya Birla Sun Life Mutual Fund	2,32,48,482	26.15	2,32,48,482	24.38
Axis Mutual Fund	96,50,813	29.17	96,50,813	27.05
Bharat Bond	2,54,08,299	30.29	2,54,08,299	28.21
DSP Mutual Fund	28,42,023	6.39	28,42,023	5.92
Edelweiss Mutual Fund	4,94,31,761	57.32	4,94,31,761	53.45
ICICI Prudential Mutual Fund	32,18,764	18.97	32,18,764	17.50
Bandhan Bond and Bandhan Mutual Fund	3,60,64,211	48.19	3,60,64,211	44.86
Kotak Mutual Fund	70,06,292	53.50	70,06,292	49.58
Nippon India Mutual Fund	98,90,904	19.19	98,90,904	17.80
SBI Mutual Fund	3,09,05,798	44.98	3,09,05,798	41.92
HDFC Mutual Fund	53,41,577	15.97	53,41,577	14.75
Total Current Investment		350.12		325.42
NON CURRENT INVESTMENT				
Aggregate book value of quoted investments		20.62		20.62
Aggregate market value of quoted investments		264.52		169.77
Aggregate book value of unquoted investments		91.11		85.92
Aggregate amount of impairment in the value of investments		-		-

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

5. Investments (Contd.)

Particulars	As at 31 st March 2024		As at 31 st March 2023	
	Quantity	Amount	Quantity	Amount
CURRENT INVESTMENT				
Aggregate book value of quoted investments		305.01		305.01
Aggregate market value of quoted investments		350.12		325.42
Category-wise investments - as per IND AS 109 classification				
Financial assets carried at fair value through profit or loss (FVTPL)		350.12		325.42
Financial assets carried at amortised cost		91.11		85.92
Financial assets carried at fair value through Other Comprehensive Income (FVTOCI)		264.52		169.77
Total		705.75		581.11

Note: Investment in the wholly owned subsidiary has been taken at cost availing the IND AS 109 exemption.

6. Inventories

Particulars	As at 31 st March 2024	As at 31 st March 2023
Inventories (lower of cost or net realisable value)		
Raw materials	332.96	380.12
Work in progress	147.07	184.79
Finished goods	40.47	32.02
Stores and spares	37.74	47.09
Total	558.24	644.02

The cost of inventories recognised as an expense during the year is ₹2,905.35 Crores. [Previous year ₹2,974.45 Crores]

7. Trade Receivables

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current		
Unsecured, considered good		
From related parties	85.89	110.08
From others	108.49	207.54
Total	194.38	317.62
Less : Allowance for doubtful debts (Expected credit loss allowance)	13.52	10.02
Total	180.86	307.60

Concentration of Risk

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consists of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management considers the credit quality of trade receivables that are not past due or impaired to be good. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

Ageing	Expected credit loss %
Within the credit period	0.25
Less than one year	6.37
More than one year	38.16

Trade Receivables ageing schedule for the year ended as on 31st March 2024 and 31st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	65.45	89.81	22.95	7.18	4.61	4.38	194.38
<i>Previous Year</i>	<i>82.94</i>	<i>205.87</i>	<i>14.42</i>	<i>8.97</i>	<i>1.77</i>	<i>3.65</i>	<i>317.62</i>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total Trade Receivable	65.45	89.81	22.95	7.18	4.61	4.38	194.38
<i>Previous Year</i>	<i>82.94</i>	<i>205.87</i>	<i>14.42</i>	<i>8.97</i>	<i>1.77</i>	<i>3.65</i>	<i>317.62</i>
Less : Allowance for doubtful debts (Expected credit loss allowance)							13.52
<i>Previous Year</i>							<i>10.02</i>
Total Trade Receivable net of credit loss allowance							180.86
<i>Previous Year</i>							<i>307.60</i>

Movement in the expected credit loss allowance

Age of receivables	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	10.02	8.24
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses net of bad debts written off	3.50	1.78
Balance at the end of the year	13.52	10.02

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

8. (a) Cash and cash equivalents

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balances with Banks		
Current account	64.07	78.44
Deposits with original maturity of less than 3 months	-	12.00
Cash on hand	0.04	0.01
Total	64.11	90.45

There are no repatriation restrictions with regard to cash and cash equivalents at the end of the reporting period and prior periods

8. (b) Other bank balances

Particulars	As at 31 st March 2024	As at 31 st March 2023
Deposits held as Margin money	0.09	0.10
Unpaid dividend account	0.96	0.88
Deposits with original maturity of more than 3 months but less than 12 months	832.55	600.21
Total	833.60	601.19

9. Other financial assets

Particulars	As at 31 st March 2024	As at 31 st March 2023
Non-current		
i) Capital advances	15.10	3.49
ii) Advances other than capital advances		
Security Deposit	13.66	7.63
Other advances	2.60	2.35
iii) Bank deposits with original maturity of more than 12 months	454.07	703.25
iv) Interest accrued on bank deposits	0.16	10.83
Total	485.59	727.55
Current		
Interest accrued on bank deposits	59.30	28.74
Income receivable	19.20	12.46
Total	78.50	41.20

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

10. Current Tax Assets (Net)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current tax assets		
Income tax advances	254.20	135.60
Current tax liabilities		
Income tax provisions	219.92	110.00
Total	34.28	25.60

11. Other current assets

Particulars	As at 31 st March 2024	As at 31 st March 2023
Advance to suppliers and others	91.95	112.72
Prepaid Expenses	8.97	7.24
Balances on account of indirect taxes	2.75	40.03
Total	103.67	159.99

12. Equity Share Capital

Particulars	As at 31 st March 2024	As at 31 st March 2023
Authorised Share Capital		
5,00,00,000 fully paid equity shares of ₹10 each	50.00	50.00
Issued, subscribed and fully paid up capital comprises:		
1,06,83,000 fully paid equity shares of ₹10 each	10.68	10.68
<i>(2,72,504 equity shares of ₹10 each were bought back during the financial year 2018-19)</i>		
Fully paid up equity shares	Number of shares	Share Capital
Balance as on 31 st March 2023	1,06,83,000	10.68
Balance as on 31st March 2024	1,06,83,000	10.68

Balance at the beginning of the current reporting period	Changes in Equity share capital due to prior period error	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
10.68	-	-	-	10.68

The company has issued only one class of Equity share having a par value of ₹10 per share. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at meeting is entitled to one vote, and each share is entitled to one vote.

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Details of Shares held by the Promoters and Promoters Group as at 31st March 2024

Sl. No.	Name of the Promoters and Promoters Group Members	No. of Shares 31.03.2024	% of Total shares	No. of Shares 31.03.2023	% of Total shares	% change during the year
1	Lakshmi Cargo Company Ltd	10,76,970	10.081	10,76,368	10.076	0.006
2	Lakshmi Technology And Engineering Industries Ltd	6,96,862	6.523	6,96,862	6.523	0.000
3	The Lakshmi Mills Company Limited	5,20,000	4.868	5,20,000	4.868	0.000
4	Lakshmi Ring Travellers (Coimbatore) Private Limited	2,52,180	2.361	2,52,180	2.361	0.000
5	Super Sales India Limited	2,29,480	2.148	2,29,480	2.148	0.000
6	Sanjay Jayavarthanavelu	1,42,291	1.332	1,42,291	1.332	0.000
7	Eshaan Enterprises Private Limited	1,27,110	1.190	1,27,110	1.190	0.000
8	J Rajyalakshmi	97,980	0.917	97,980	0.917	0.000
9	Lakshmi Electrical Control Systems Limited	88,800	0.831	88,800	0.831	0.000
10	Uttara Ravi	44,290	0.415	44,290	0.415	0.000
11	Lakshmi Electrical Drives Private Limited	17,500	0.164	17,500	0.164	0.000
12	Lakshmi Precision Technologies Limited	15,000	0.140	15,000	0.140	0.000
13	Shivali Jayavarthanavelu	7,970	0.075	7,970	0.075	0.000
14	Ravi Sam	5,866	0.055	5,866	0.055	0.000
15	S Pathy	1,420	0.013	1,721	0.016	-0.003
16	Nethra J S Kumar	720	0.007	720	0.007	0.000
17	Jaidev Jayavarthanavelu	460	0.004	460	0.004	0.000
18	Dinakaran Senthilkumar (Huf)	160	0.001	160	0.001	0.000
19	Lalithadevi Sanjay Jayavarthanavelu	49	0.000	49	0.000	0.000
20	S Sunitha	0	0.000	301	0.003	-0.003

Details of Shares held by the Promoters and Promoters Group as at 31st March 2023

Sl. No.	Name of the Promoters and Promoters Group Members	No. of Shares 31.03.2023	% of Total shares	No. of Shares 31.03.2022	% of Total shares	% change during the year
1	Lakshmi Cargo Company Ltd	10,76,368	10.076	10,76,368	10.076	0.000
2	Lakshmi Technology And Engineering Industries Ltd	6,96,862	6.523	6,96,862	6.523	0.000
3	The Lakshmi Mills Company Limited	5,20,000	4.868	5,20,000	4.868	0.000
4	Lakshmi Ring Travellers (Coimbatore) Private Limited	2,52,180	2.361	2,52,180	2.361	0.000
5	Super Sales India Limited	2,29,480	2.148	2,29,480	2.148	0.000
6	Sanjay Jayavarthanavelu	1,42,291	1.332	1,42,291	1.332	0.000
7	Eshaan Enterprises Private Limited	1,27,110	1.190	1,27,110	1.190	0.000
8	J Rajyalakshmi	97,980	0.917	97,980	0.917	0.000

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Details of Shares held by the Promoters and Promoters Group as at 31st March 2023 (Contd..)

Sl. No.	Name of the Promoters and Promoters Group Members	No. of Shares 31.03.2023	% of Total shares	No. of Shares 31.03.2022	% of Total shares	% change during the year
9	Lakshmi Electrical Control Systems Limited	88,800	0.831	88,800	0.831	0.000
10	Uttara Ravi	44,290	0.415	44,290	0.415	0.000
11	Lakshmi Electrical Drives Private Limited	17,500	0.164	17,500	0.164	0.000
12	Lakshmi Precision Technologies Limited	15,000	0.140	15,000	0.140	0.000
13	Shivali Jayavarthanavelu	7,970	0.075	7,970	0.075	0.000
14	Ravi Sam	5,866	0.055	5,866	0.055	0.000
15	S Pathy	1,721	0.016	1,721	0.016	0.000
16	Nethra J S Kumar	720	0.007	720	0.007	0.000
17	Jaidev Jayavarthanavelu	460	0.004	460	0.004	0.000
18	S Sunitha	301	0.003	301	0.003	0.000
19	Dinakaran Senthilkumar (Huf)	160	0.001	160	0.001	0.000
20	Lalithadevi Sanjay Jayavarthanavelu	49	0.000	49	0.000	0.000
21	K Arjun *	NA	NA	313	0.003	NA
22	K Nithin *	NA	NA	305	0.003	NA

* ceased to be part of promoter group as per stock exchange order issued during August 2022.

Shareholders holding more than 5% Equity shares

Sl. No	Particulars	As at 31 st March 2024		As at 31 st March 2023	
		Number	Percentage	Number	Percentage
1	Lakshmi Cargo Company Limited	10,76,970	10.08	10,76,368	10.08
2	Lakshmi Technology and Engineering Industries Limited	6,96,862	6.52	6,96,862	6.52
3	Nemish S Shah	5,84,673	5.47	5,99,673	5.61
4	Voltas Limited	5,79,672	5.43	5,79,672	5.43

13. Other Equity

Particulars	As at 31 st March 2024	As at 31 st March 2023
Capital Reserve	7.01	7.01
Capital Redemption Reserve	1.69	1.69
General Reserve	244.83	207.83
Reserve for equity instruments and others through other comprehensive income	243.91	149.16
Retained Earnings	2,154.17	1,923.62
Total	2,651.61	2,289.31

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

13.1 Capital Reserve

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	7.01	7.01
Add: Movements during the year	-	-
Balance at the end of the year	7.01	7.01

Capital reserve represents the reserves arising out of earlier business combinations.

13.2 Capital Redemption Reserve

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	1.69	1.69
Add: Transfer from General Reserve	-	-
Balance at the end of the year	1.69	1.69

Capital Redemption Reserve is a statutory reserve created at amounts equal to the face value of the shares bought back as per the provisions of company law.

13.3 General Reserve

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	207.83	172.83
Add: Transfer from retained earnings	37.00	35.00
Balance at the end of the year	244.83	207.83

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

13.4 Reserve for equity instruments and others through other comprehensive income

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	149.16	143.86
Net fair value gain on investments in equity instruments at FVTOCI	94.75	5.30
Balance at the end of the year	243.91	149.16

The company has elected to recognise changes in fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve which represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

13.5 Retained Earnings

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	1,923.62	1,649.15
Add: Profit after tax attributable to the owners of the company	371.38	350.21
(Less): Payment of dividends on equity shares	(105.23)	(42.73)
(Less) /Add: Remeasurement of post-employment benefit obligations [Net of tax]	1.40	1.99
Add: Transfer from Other Comprehensive income	-	-
(Less): Transfer to General Reserve	(37.00)	(35.00)
Balance at the end of the year	2,154.17	1,923.62

In financial year 2023-24, on 10.08.2023 a dividend of ₹98.50 per share (Total dividend ₹105.23 Crores) was paid to the holders of fully paid equity shares.

In respect of the year ended 31st March 2024 the directors propose that a dividend of ₹75 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend payable is ₹80.12 Crores.

14. Deferred Tax liability (Net)

Analysis of deferred tax assets / (liabilities) presented in the balance sheet:

Particulars	As at 31 st March 2024	As at 31 st March 2023
Deferred Tax assets	-	-
Deferred Tax liabilities	(47.48)	(48.43)
Total	47.48	48.43

2023-24

Particulars	Opening balance	Recognised in profit or loss	Closing balance
On account of VRS	3.97	(1.60)	2.37
On account of Property, Plant and Equipment	(60.60)	2.14	(58.46)
On account of Expected credit loss on receivables	2.52	0.88	3.40
On account of actuarial loss	5.68	(0.47)	5.21
Total	(48.43)	0.95	(47.48)

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

2022-23

Particulars	Opening balance	Recognised in profit or loss	Closing balance
On account of VRS	6.86	(2.89)	3.97
On account of Property, Plant and Equipment	(38.50)	(22.10)	(60.60)
On account of Expected credit loss on receivables	2.06	0.46	2.52
On account of actuarial loss	6.35	(0.67)	5.68
Total	(23.23)	(25.20)	(48.43)

15. Other Non-current liabilities

Particulars	As at 31 st March 2024	As at 31 st March 2023
Security deposits received against supply of machinery	222.55	334.22
Total	222.55	334.22

16. Trade Payables

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current		
Due to Micro and Small Enterprises [Refer Note 30.3]	54.03	8.37
Due to related parties	159.60	141.08
Others	346.79	578.76
Total	560.42	728.21

Trade Payable Ageing schedule as at 31st March 2024 and 31st March 2023

Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	54.03	-	-	-	54.03
<i>Previous Year</i>	8.37	-	-	-	8.37
(ii) Others	485.41	20.98	-	-	506.39
<i>Previous Year</i>	719.01	0.83	-	-	719.84
(iii) Disputed dues – MSME	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-
Total	539.44	20.98	-	-	560.42
<i>Previous Year</i>	727.38	0.83	-	-	728.21

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

17. Other Financial liabilities

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current		
Unpaid dividends	0.96	0.88
Other liabilities	138.63	140.96
Total	139.59	141.84

18. Provisions

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current		
Provision for employee benefits		
Provision for gratuity	-	0.34
Other provisions		
Provision for warranty	18.08	17.78
Total	18.08	18.12

The provision for employee benefits include provision for gratuity and leave encashment. For detailed disclosure on the same, please refer note no. 30.9

The Company gives warranties for its products undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The provision for warranty claims represents the present value of the Management's best estimate of the future outflow of economic benefits that will be required under the company's obligations for warranties under sale of goods legislations. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality. The timing of the outflows is expected to be within a period of one year.

Particulars	Provision for Warranty	
	As at 31 st March 2024	As at 31 st March 2023
Carrying amount at the beginning of the year	17.78	12.07
Additional provision made during the year	18.08	17.78
Amount used during the year	(17.78)	(12.07)
Unused amount reversed	-	-
Carrying amount at the end of the year	18.08	17.78

19. Other Current liabilities

Particulars	As at 31 st March 2024	As at 31 st March 2023
Security deposit received against supply of machinery	138.21	203.34
Other advances	195.54	290.18
Total	333.75	493.52

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

20. Revenue From Operations

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Gross Sale of Products	4,520.17	4,456.69
Other operating revenues		
Repairs & Service charges & miscellaneous income	42.31	36.95
Sale of scrap	19.60	16.97
Export incentives	15.06	22.62
Total revenue from operations	4,597.14	4,533.23

Disaggregation of Revenue

Refer note no. 30.10 for disaggregated revenue information. The Management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

21. Other Income

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Interest income from financial assets at amortised cost	90.58	67.82
Dividend income from equity investments designated at FVTOCI	0.68	1.14
Profit from redemption of Debentures / Mutual Funds	0.46	4.75
Income from Mutual funds designated at FVTPL	24.70	9.93
Rental income	0.68	0.62
Net Gain on foreign currency transactions	18.84	41.05
Net Gain on sale of assets	1.59	24.15
Sale of wind energy banking units	3.93	-
Sale proceeds of Renewable Energy Certificate	-	0.56
Royalty income	0.34	6.01
Total other income	141.80	156.03

22. Cost of materials consumed

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Raw materials at the beginning of the year	380.12	293.28
Add: Purchases	2,967.40	3,153.00
Less: Sales	109.21	91.71
Less: Raw materials at the end of the year	332.96	380.12
Total cost of materials consumed	2,905.35	2,974.45

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

23. Changes in inventories of finished goods and work-in-progress

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Opening Stock		
Work-in-progress	184.79	127.73
Finished goods	32.02	31.67
Total	216.81	159.40
Closing Stock		
Work-in-progress	147.07	184.79
Finished goods	40.47	32.02
Total	187.54	216.81
Total changes in inventories of finished goods and work-in progress	29.27	(57.41)

24. Employee Benefit Expense

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Salaries and wages	341.70	314.77
Contribution to Provident and other funds	20.05	23.31
Staff welfare expenses	33.24	27.86
Total employee benefit expense	394.99	365.94

25. Depreciation and amortisation expense

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Depreciation of property, plant and equipment	85.98	68.61
Amortisation of intangible assets	5.76	4.82
Total depreciation and amortisation expense	91.74	73.43

26. Impairment losses on financial assets and reversal of impairment on financial assets

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Impairment loss (Expected credit loss) allowance on trade receivables	6.13	3.46
Total	6.13	3.46

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

27. Other expenses

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Sales commission to agents	105.60	96.26
Consumption of stores and spare parts	153.08	155.33
Consumption of packing material	91.78	78.67
Power and fuel net of Green Energy (Green Energy adjusted CY ₹63.14 Crores; PY ₹58.58 Crores)	48.29	51.38
Rent expense	0.98	1.06
Repairs and Maintenance		
Repairs to buildings	35.52	22.21
Repairs to machinery and others	87.98	74.21
Insurance	4.73	4.03
Rates and taxes, excluding taxes on income	3.50	8.74
Auditors' Remuneration		
For Audit	0.15	0.15
For Certification	-	-
Loss on sale of assets	0.30	0.90
Donation	8.93	1.67
Directors sitting fees	0.39	0.39
Non-executive directors' commission	0.74	0.78
Corporate Social Responsibility expenses (Note 30.6)	5.48	2.60
Export expenses	43.60	97.17
Travelling expenses & Maintenance of vehicles	51.10	44.04
Research and development expenses	34.97	51.84
Service Outsourcing expenses	53.87	41.80
Sales expenses	54.33	39.37
Miscellaneous expenses	46.26	71.38
Total other expense	831.58	843.98

28. Finance costs

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Bill collection charges	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

29. Income tax relating to continuing operations

29.1 Income tax recognised in profit or loss

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Current tax		
Current tax on profits for the year	109.45	110.00
Adjustments for current tax of prior periods	-	-
Total current tax expense	109.45	110.00
Deferred Tax		
Decrease / (increase) of deferred tax assets	(0.95)	25.20
(Decrease) / Increase in deferred tax liabilities	-	-
Total deferred tax expense	(0.95)	25.20
Total Income tax expense recognised for the year	108.50	135.20

29.2 Reconciliation of income tax expense to the accounting profit for the year

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Profit before tax after exceptional items	479.88	485.41
Enacted tax rate in India	25.17%	25.17%
Computed expected tax expense at enacted tax rate	120.79	122.18
Tax effect on account of tax deductions	(14.41)	(14.35)
Tax effect of non-deductible expenses	3.07	2.17
Total Income Tax Expense recognised for the year	109.45	110.00

29.3 Income tax recognised in other comprehensive income

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	-	-
Remeasurement of defined benefit obligations	(0.47)	(0.66)
Total	(0.47)	(0.66)
Bifurcation of income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(0.47)	(0.66)
Items that may be reclassified to profit or loss	-	-
Total	(0.47)	(0.66)

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

30.1 Contingent Liabilities and Commitments, to the extent not provided for

Particulars	As at 31 st March 2024	As at 31 st March 2023
Contingent Liabilities		
Claims against the company not acknowledged as debt		
Central Excise Demand	7.08	21.64
Other money for which the company is contingently liable		
Letter of Credit	52.15	38.97
Bank and other guarantees	39.65	45.33

Disputed tax dues are appealed before concerned appellate authorities. The Company is advised that the cases are likely to be disposed of in favour of the Company and hence no provision is considered necessary therefor.

Particulars	As at 31 st March 2024	As at 31 st March 2023
Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for	30.63	9.29

30.2 Details of dividend proposed and paid

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
a) Final dividend paid	105.23	42.73
b) In respect of the current year, the directors propose that a dividend of ₹75 per share be paid on equity shares on or before 14 th August 2024. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on 24 th July 2024. The total estimated equity dividend to be paid is ₹80.12 Crores.		

30.3 Disclosure as per Schedule III

As defined under Micro, Small and Medium Enterprises Development Act, 2006, the disclosure in respect of the amounts payable to such enterprises as at the end of the year has been made in the financial statements based on information received and available with the Company.

Particulars	As at 31 st March 2024	As at 31 st March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	54.03	8.37
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

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at 31 st March 2024	As at 31 st March 2023
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

30.4 Financial Instruments

Capital Management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders. The capital structure of the company consists of only total equity and no debts. The company is not subject to any externally imposed capital requirements. Net debt to equity ratio or gearing ratio is not applicable since the company has no external debts.

i) Financial instruments by category

Particulars	As at 31 st March 2024			As at 31 st March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Measured at amortised cost / FVTPL/ FVTOCI						
a) Cash and bank balances	-	-	64.11	-	-	90.45
b) Other financial assets -Non current	-	-	485.59	-	-	727.55
c) Trade receivables	-	-	180.86	-	-	307.60
d) Bank balances	-	-	833.60	-	-	601.19
e) Other financial assets -Current	-	-	78.50	-	-	41.20
f) Investments in subsidiaries	-	-	72.76	-	-	72.76
g) Investments in equity	-	264.52	8.34	-	169.77	0.00
h) Investment in Debentures	-	-	10.01	-	-	13.16
i) Investment in Mutual funds	350.12	-	-	325.42	-	-
Total	350.12	264.52	1,733.77	325.42	169.77	1,853.91
Financial Liabilities						
a) Trade Payables	-	-	560.42	-	-	728.21
b) Other financial liabilities	-	-	139.59	-	-	141.84
Total	-	-	700.01	-	-	870.05
Financial Assets	-	-	2,348.41	-	-	2,349.10
Financial Liabilities	-	-	700.01	-	-	870.05

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

ii) Fair Value Hierarchy

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at 31st March 2024 and 31st March 2023 is as follows:

Particulars	Fair value measurement at end of the reporting period using			Fair value measurement at end of the reporting period using		
	As at 31 st March 2024			As at 31 st March 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial Investments at FVTOCI						
Quoted Equity Investments	264.52	-	-	169.77	-	-
Financial Investments at FVTPL						
Mutual funds	350.12	-	-	325.42	-	-
Total Financial Assets	614.64	-	-	495.19	-	-

iii) Fair Value of financial assets and liabilities measured at amortised cost

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

30.5 Exceptional Items

There are no exceptional items for the current and previous financial year.

30.6 Corporate Social Responsibility Expenditure

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Gross amount required to be spent as per Sec. 135 of the Act	5.37	2.59
Amount spent during the year on:		
Construction / acquisition of an asset	-	-
On purposes other than above	5.48	2.60
Total	5.48	2.60
Amount spent through approved trusts and institutions	5.23	2.56
Amount spent directly	0.25	0.04
Total	5.48	2.60

CSR Expenditure during the year on construction/acquisition of an asset is ₹ Nil. CSR Expenses relating to gross amount required to be spent for the year and the actual amount spent by the company during the year is furnished as Annexure to the Board of Directors' Report.

30.7 Earnings Per Share

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Net Profit after Tax before OCI [₹ In Crores]	371.38	350.21
Weighted Average Number of Equity Shares used as denominator in calculating basic earnings per share	1,06,83,000	1,06,83,000
Nominal Value per Equity Share [in ₹]	10.00	10.00
Basic & Diluted Earnings Per Share [in ₹]	347.64	327.82

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

30.8 Related party transactions

Related Party Relationships (As identified by the Management)

Key Management Personnel

Sri. Sanjay Jayavarthanelu, Chairman and Managing Director

Sri. K. Soundhar Rajhan, Director Operations (until 31st July 2023)

Sri. Jaidev Jayavarthanelu, Wholetime Director w e f: 7th August 2023

Sri. M Sankar, Wholetime Director (Designated as Director Operations) w e f: 25th October 2023

Sri. V.Senthil, Chief Financial Officer

Sri. C R Shivkumaran, Company Secretary

Non Executive Directors

Sri. Aditya Himatsingka, Non Executive - Independent Director

Dr. Mukund Govind Rajan, Non Executive - Independent Director

Justice (Smt) Chitra Venkataraman (Retd.), Non Executive - Independent Director (woman)

Sri. Arun Alagappan , Non Executive - Independent Director

Sri. S Pathy, Non Executive - Non - Independent Director

Sri. T. C Suseel Kumar, Non Executive - Non - Independent Director (Nominee of LIC) (until 26th January 2024)

Sri. Jaidev Jayavarthanelu, Non Executive - Non - Independent Director (until 6th August 2023)

Sri. Aroon Raman, Non Executive - Independent Director

Wholly Owned Subsidiary :

LMW Textile Machinery (Suzhou) Co. Ltd, China

LMW Aerospace Industries Limited, India

LMW Global FZE, UAE

Post Employment benefit plans

Lakshmi Machine Works Limited Employees' Gratuity Fund

Other companies/firms in which directors or their relatives are interested

Alampara Hotels and Resorts Private Limited, Chakradhara Aerospace and Cargo Private Limited, Chakradhara Agro Farms Private Limited, Dhanajaya Agro Farms Private Limited, Dhanuprabha Agro Private Limited, Eshaan Enterprises Private Limited, Harshni Textiles Private Limited, Hermes Academy of Training Private Limited, Lakshmi Caipo Industries Limited, Lakshmi Card Clothing Mfg Co. Private Limited, Lakshmi Cargo Company Limited, Lakshmi Electrical Control Systems Limited, Lakshmi Electrical Drives Private Limited, Lakshmi Energy and Environment Designs Private Limited, Lakshmi Life Sciences Private Limited, Lakshmi Precision Technologies Limited, Lakshmi Ring Travellers (Coimbatore) Private Limited, LCC Cargo Holdings Private Limited, Lakshmi Technology and Engineering Industries Limited, Mahalakshmi Engineering Holdings Private Limited, Petrus Techonologies Private Limited, Quattro Engineering India Private Limited, Rajalakshmi Engineering, Revantha Agro Farms Private Limited, Revantha Services Private Limited, Shri Kara Engineering Private Limited, Sowbarnika Enterprises Private Limited, Sri Dwipa Properties Private Limited, Sri Kamakoti Kamakshi Enterprises Private Limited, Starline Travels Private Limited, Sudhasruthi Agro Private Limited, Super Sales India Limited, Supreme Dairy Products India Private Limited, The Lakshmi Mills Company Limited, Titan Paints & Chemicals Private Limited, Venkatavaradhaa Agencies Private Limited, Waterfield Financial and Investment Advisors Private Limited, CACPL Global Logistics, Imperium Global FZE, Lakshmi Global, Lakshmi Global FZE.

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Key Management personnel compensation

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Short term employee benefits	24.47	24.82
Post employment benefits	0.50	0.50
Total compensation	24.97	25.32

Related Party Transactions

Particulars	Other Related Parties		Key Management Personnel		Wholly Owned Subsidiary	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
Purchase of goods	659.85	714.57	-	-	90.85	70.78
Sale of goods	81.57	64.43	-	-	178.18	207.21
Purchase of Fixed Assets	22.38	20.13	-	-	-	-
Sale of Fixed Assets	0.11	0.62	-	-	0.22	0.22
Rendering of Services	1.76	1.20	-	-	0.34	6.01
Receiving of Services	216.63	227.43	-	-	0.22	-
Contribution to Gratuity Fund	4.72	0.79	-	-	-	-
Agency arrangements	25.21	21.76	-	-	-	-
Managerial remuneration	-	-	24.97	25.32	-	-
Outstanding Payables	139.89	94.95	19.17	19.96	19.84	25.28
Outstanding Receivables	32.87	22.17	-	-	80.77	92.88

- Purchase of Goods includes LMW Textile Machinery (Suzhou) Co. Ltd ₹0.02 Crores (Previous Year ₹0.31 Crores); LMW Global FZE ₹90.83 Crores (Previous Year ₹70.47 Crores); Lakshmi Electrical Control Systems Limited ₹295.71 Crores (Previous Year ₹299.30 Crores); Lakshmi Electrical Drives Private Limited ₹83.51 Crores (Previous Year ₹93.60 Crores); Lakshmi Life Sciences Private Limited ₹124.66 Crores (Previous Year ₹139.53 Crores); Lakshmi Precision Technologies Limited ₹73.25 Crores (Previous Year ₹75.58 Crores) & Other related parties-Associates ₹82.72 Crores (Previous Year ₹106.56 Crores)
- Sale of Goods includes LMW Textile Machinery (Suzhou) Co. Ltd ₹23.16 Crores (Previous Year ₹109.99 Crores); LMW Global FZE ₹155.02 Crores (Previous Year ₹97.22 Crores); & Other related parties - Associates ₹81.57 Crores (Previous Year ₹64.43 Crores)
- Purchase of Fixed Assets includes Revantha Services Private Limited ₹22.38 Crores (Previous Year ₹20.13 Crores)
- Sale of Fixed Assets includes LMW Global FZE ₹0.22 Crores (Previous Year ₹0.22 Crores); Super Sales India Limited ₹0.11 Crores (Previous Year ₹0.10 Crores) & Other related parties - Associates ₹ Nil (Previous Year ₹0.52 Crores)
- Rendering of Services includes LMW Textile Machinery (Suzhou) Co. Ltd ₹0.34 Crores (Previous Year ₹6.01 Crores); Super Sales India Limited ₹0.24 Crores (Previous Year ₹0.41 Crores); Chakradhara Aerospace and Cargo Private Ltd ₹0.34 Crores (Previous Year ₹0.34 Crores); Lakshmi Life Sciences Private Limited ₹0.76 Crores (Previous Year ₹0.14 Crores); Petrus Technologies Private Limited ₹0.32 Crores (Previous Year ₹0.18 Crores) & Others - Other related parties-Associates ₹0.10 Crores (Previous Year ₹0.13 Crores)
- Receiving of Services includes LMW Textile Machinery (Suzhou) Co. Ltd ₹0.22 Crores (Previous Year Nil); Chakradhara Aerospace and Cargo Private Ltd ₹110.39 Crores (Previous Year ₹153.77 Crores); Revantha Services Private Ltd ₹46.39 Crores (Previous Year ₹26.54 Crores) & Other related parties-Associates ₹59.85 Crores (Previous Year ₹47.12 Crores)
- Contribution to gratuity fund includes Lakshmi Machine Works Limited Employees' Gratuity Fund ₹4.72 Crores (Previous Year ₹0.79 Crores)
- Agency arrangement includes Super Sales India Limited ₹25.21 Crores (Previous Year ₹21.76 Crores)
- Managerial Remuneration includes amount paid to Chairman and Managing Director, Sri Sanjay Jayavarthanavelu ₹21.75 Crores (Previous Year ₹22.53 Crores); Sri Jaidev Jayavarthanavelu, Wholetime Director ₹0.63 Crores (Previous Year ₹ Nil); Mr. M.Sankar, Director Operations w e f: 25th October 2023 ₹0.67 Crores (Previous Year ₹ Nil); Mr. K.Soundhar Rajhan, Director Operations (until 31st

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(All amounts in ₹ Crores, unless otherwise stated)

July 2023) ₹0.58 Crores (Previous Year ₹1.56 Crores); Mr. V.Senthil, Chief Financial Officer ₹0.83 Crores (Previous Year ₹0.75 Crores); Mr. C R Shivkumaran, Company Secretary ₹0.51 Crores (Previous year ₹0.48 Crores)

10. Outstanding Payables include LMW Textile Machinery (Suzhou) Co. Ltd ₹3.50 Crores (Previous Year ₹3.26 Crores); LMW Global FZE ₹16.34 Crores (Previous Year ₹22.02 Crores); Lakshmi Electrical Control Systems Limited ₹51.25 Crores (Previous Year ₹33.60 Crores); Lakshmi Electrical Drives Private Limited ₹14.27 Crores (Previous Year ₹10.00 Crores); Super Sales India Limited ₹21.50 Crores (Previous Year ₹20.83 Crores); Lakshmi Life Sciences Private Limited ₹19.06 Crores (Previous Year ₹4.74 Crores); Sri.Sanjay Jayavarthanavelu ₹19.17 Crores (Previous Year ₹19.96 Crores) & Other related parties-Associates ₹33.81 Crores (Previous Year ₹25.77 Crores)
11. Outstanding Receivables include LMW Textile Machinery (Suzhou) Co. Ltd ₹34.53 Crores (Previous Year ₹54.38 Crores); LMW Global FZE ₹46.24 Crores (Previous Year ₹38.50 Crores); Lakshmi Electrical Control Systems Limited ₹3.25 Crores (Previous Year ₹10.03 Crores); Chakradhara Aerospace and Cargo Private Limited ₹8.90 Crores (Previous Year ₹ Nil); Lakshmi Life Sciences Private Limited ₹7.19 Crores (Previous Year ₹1.37 Crores); Petrus Technologies Private Limited ₹4.76 Crores (Previous Year ₹0.07 Crores); Reventha Services Private Limited ₹3.30 Crores (Previous Year ₹ Nil) & Others - Other related parties - Associates ₹5.47 Crores (Previous Year ₹10.70 Crores)

30.9 Employee defined benefit and contribution plans

I. Defined Benefit Plans

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
A. Expense recognised in Income Statement				
1. Current Service cost	5.12	9.46	2.04	1.99
2. Interest expense on DBO	7.64	7.00	0.70	0.74
3. Interest (Income on plan asset)	(7.79)	(7.43)	(0.97)	(1.00)
4. Net Interest	(0.15)	(0.43)	(0.27)	(0.26)
5. Immediate recognition of (gain) / losses	-	-	0.79	0.76
6. Defined Benefits cost included in P & L	4.97	9.03	2.56	2.49
B. Expense recognised in Comprehensive Income				
1. Actuarial (gain)/losses due to Demographic assumption changes in DBO	-	-	-	-
2. Actuarial (gain)/losses due to financial assumption changes in DBO	2.06	(0.48)	0.39	(0.08)
3. Actuarial (gain)/losses due to experience on DBO	(3.97)	(2.35)	0.59	0.84
4. Return on plan assets (greater) / less than discount rate	0.04	0.18	(0.19)	0.75
5. Total actuarial (gain) / loss included in OCI	(1.87)	(2.65)	0.79	1.51
6. Cost recognised in P & L	4.97	9.03	2.56	2.49
7. Remeasurement effect recognised in OCI	(1.87)	(2.65)	-	-
8. Total defined benefit cost	3.10	6.38	2.56	2.49
C. Net asset/Liability recognised in the Balance Sheet				
1. Present value of benefit obligation	108.62	104.64	11.83	11.32
2. Fair value of plan assets	109.90	104.30	14.65	13.49
3. Funded Status [Surplus / (deficit)]	1.28	(0.34)	2.82	2.17
4. Net Asset / (Liability) recognised in balance sheet	1.28	(0.34)	2.82	2.17

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(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
D. Change in Present value of the Obligation during the year				
1. Present value of the obligation at beginning of year	104.64	94.50	11.32	10.93
2. Current service cost	5.12	9.46	2.04	1.99
3. Interest cost	7.64	7.00	0.70	0.74
4. Benefits paid	(6.87)	(3.49)	(3.21)	(2.35)
5. Actuarial (gain) / loss on obligation	(1.91)	(2.83)	0.98	0.01
6. Present value of obligation at end of the year	108.62	104.64	11.83	11.32
E. Reconciliation of opening & closing values of Plan Assets				
1. Fair value of plan assets at the beginning of the year	104.30	99.75	13.49	13.24
2. Expected return on plan assets	7.79	7.43	0.97	1.00
3. Contributions made	4.72	0.79	-	-
4. Benefits paid	(6.87)	(3.49)	-	-
5. Actuarial gain / (loss) on plan assets	(0.04)	(0.18)	0.19	(0.75)
6. Fair value of plan assets at the end of the year	109.90	104.30	14.65	13.49
7. Actual return on plan assets	7.75	7.25	1.16	0.25
F. Amounts recognised in Other comprehensive Income				
1. Opening unrecognised losses / (gains)	14.37	17.02	-	-
2. Actuarial loss / (gains) on DBO	(1.91)	(2.83)	0.98	0.76
3. Actuarial loss / (gains) on assets	0.04	0.18	(0.19)	0.75
4. Amortisation Actuarial loss / (gain)	-	-	0.79	1.51
5. Total recognised in Other comprehensive income	12.50	14.37	-	-
G. Major categories of plan assets as a percentage of total plan				
1. Qualifying insurance policies	109.90	104.30	14.65	13.49
2. Own plan assets-Bank balances	0.48	0.78	-	-
Total	110.38	105.08	14.65	13.49
H. Actuarial Assumptions				
1. Discount rate	7.25%	7.55%	7.25%	7.55%
2. Salary escalation	8.50%	8.50%	8.50%	8.50%
3. Attrition rate	7.00%	7.00%	7.00%	7.00%
4. Expected rate of return on plan assets	7.25%	7.47%	7.25%	7.47%
5. Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate			

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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.

The company expects to make a contribution of ₹3 Crores (as at 31st March 2024: ₹4.72 Crores) to the defined benefit plans during the next financial year.

I. Sensitivity Analysis

	Gratuity (Funded)		Leave Encashment (Funded)	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
Impact of +1% change in rate of discounting	(6.17)	(6.03)	(1.09)	(1.02)
Impact of -1% change in rate of discounting	6.86	6.70	1.30	1.21
Impact of +1% change in rate of salary increase	6.76	6.62	1.24	1.16
Impact of -1% change in rate of salary increase	(6.19)	(6.07)	(1.06)	(1.00)
Impact of +1% change in rate of attrition	(0.86)	(0.75)	(0.20)	(0.16)
Impact of -1% change in rate of attrition	0.94	0.82	0.21	0.17

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

J. Brief description of the plans & risks

These plans typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, other debt instruments and equity shares of listed companies.

Interest Rate risk

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments, if any.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

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Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

II. Defined Contribution Schemes

	31 st March 2024	31 st March 2023
Provident Fund Contribution	14.67	13.90

30.10 Segment information

Products and services from which reportable segments derive their revenues.

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided. The company has chosen to organise the company around differences in products and services. No operating segments have been aggregated in arriving at the reportable segments of the company.

Specifically, the Company is organised into three main reportable segments viz., (1) Textile Machinery Division (2) Machine Tool Division & Foundry Division and (3) Advanced Technology Centre.

OPERATING SEGMENTS	Textile Machinery Division		Machine Tool & Foundry Division		Advanced Technology Centre		Total	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
Revenue								
Revenue from external customers	3,440.96	3,486.99	937.07	874.89	142.14	94.81	4,520.17	4,456.69
Inter Segment Revenue	66.23	64.62	97.11	97.31	-	-	163.34	161.93
Allocable other income	68.03	95.98	15.59	13.44	18.05	15.94	101.67	125.36
Total Segment Revenue	3,575.22	3,647.59	1,049.77	985.64	160.19	110.75	4,785.18	4,743.98
Less : Inter Segment Revenue							163.34	161.93
Add : Unallocable other Income							117.10	107.21
Enterprise revenue							4,738.94	4,689.26
Result								
Segment Result	313.64	343.86	74.42	61.19	14.03	3.33	402.09	408.38
Operating Profit							402.09	408.38
Add : Unallocable Other Income net of unallocable expenditure							77.79	77.03
Less : Interest Expenses							-	-
Income tax expenses (Current)							109.45	110.00
Income tax expenses (Deferred)							(0.95)	25.20
Net Profit after Tax							371.38	350.21

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OPERATING SEGMENTS	Textile Machinery Division		Machine Tool & Foundry Division		Advanced Technology Centre		Total	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
Revenue								
Other Information								
Segment assets	1,935.29	2,328.23	1,207.45	1,072.28	101.39	57.11	3,244.13	3,457.62
Add : Unallocable corporate assets							740.03	606.71
Enterprise Assets							3,984.16	4,064.33
Segment Liabilities	1,001.68	1,463.22	252.73	235.41	19.02	16.40	1,273.43	1,715.03
Add : Unallocable corporate liabilities							2,710.73	2,349.30
Enterprise Liabilities							3,984.16	4,064.33
Capital Expenditure	94.18	177.63	45.75	49.96	19.86	29.50	159.79	257.09
Depreciation	74.39	59.28	6.19	5.59	11.16	8.56	91.74	73.43

Notes :

- 1) The accounting policies of the reportable segments are the same as the company's accounting policies. Inter Segment transfers are accounted on cost plus basis vis-a-vis at competitive market price charged to unaffiliated customers for similar goods.
- 2) Segment profit represents the profit before tax earned by each segment without allocation of unallocable expenses, finance costs and unallocable income. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance.
- 3) Segment Revenue, Segment Result, Segment Asset and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Information about major customers

There is no single customer contributing to 10% or more to the company's revenue for both 2023-24 and 2022-23.

Segment Assets and Liabilities

Operating Segment	Segment Assets		Segment Liabilities	
	As at 31 st March 2024	As at 31 st March 2023	As at 31 st March 2024	As at 31 st March 2023
Textile Machinery Division	1,935.29	2,328.23	1,001.68	1,463.22
Machine Tool & Foundry Division	1,207.45	1,072.28	252.73	235.41
Advanced Technology Centre	101.39	57.11	19.02	16.40
Total Segment assets & segment liabilities	3,244.13	3,457.62	1,273.43	1,715.03
Adjustments of unallocated assets and liabilities				
Share capital	-	-	10.68	10.68
Reserves and Surplus	-	-	2,651.61	2,289.31
Investments	705.75	581.11	-	-
Advance tax	34.28	25.60	-	-
Deferred tax	-	-	47.48	48.43
Unpaid Dividends	-	-	0.96	0.88
Total assets & liabilities as per Balance sheet	3,984.16	4,064.33	3,984.16	4,064.33

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Geographical information

The company operates in two principal geographical area, India (country of domicile) and outside India.

The company's revenue from external customers based on location of customers is as per the table below:

Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Company identifies the product lines, amongst others to indicate the factors. The details of revenue from contracts with customers on the basis of various product lines are as under :

Particulars	Year Ended 31 st March 2024		
	India	Outside India	Total
Textile Machinery and Spares	2,876.50	564.46	3,440.96
Machine Tools and Castings	914.94	22.13	937.07
Aerospace Parts and component	9.89	132.25	142.14
Gross Sale of Products	3,801.33	718.84	4,520.17

Particulars	Year Ended 31 st March 2023		
	India	Outside India	Total
Textile Machinery and Spares	2,627.51	859.48	3,486.99
Machine Tools and Castings	846.11	28.78	874.89
Aerospace Parts and component	7.73	87.08	94.81
Gross Sale of Products	3,481.35	975.34	4,456.69

30.11 Approval of financial statements

The financial statements were reviewed and recommended by the Audit Committee and has been approved by the Board of Directors at their meeting held on 27th May 2024.

30.12 Details of Leasing Arrangements

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
As Lessor		
Operating lease		
The Company has entered into operating lease arrangements for certain surplus facilities. The lease is non-cancellable for a period upto 10 years and may be renewed for a further period based on mutual agreement of the parties.		
Future minimum lease receipts		
Not later than one year	0.42	0.42
Later than one year and not later than five years	1.68	1.68
More than 5 years	1.68	1.68

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30.13 Revenue Recognition

The company derives revenue primarily from the sale of Textile Machinery, Machine Tools, Accessories and parts, Casting and Aero space Components.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customer for sale of above-mentioned products or services are on fixed price. Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled in exchange for those goods or services.

Revenue on fixed price contract are recognised at the time of dispatch of goods. Till then the consideration received is accounted as 'Advance received' shown under financial liabilities. Control over the goods passed to the customer at the time of dispatch of the goods at the company's factory.

The expected cost of warranty issued is accounted as provision. The contract with customer are entered between the company and the end customer. The company is primarily responsible for honouring the contract entered with customer. Since the company acts as a "Principal" for the contracts entered into through selling agent the revenue is to be recognized in gross by the company.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Revenue from operations for the year ended 31st March 2024 and 31st March 2023 is as follows:

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
(i) Revenue from sale of products	4,520.17	4,456.69
(ii) Revenue from rendering of services	76.97	76.54
Total revenue from operations	4,597.14	4,533.23

30.14 Financial Risk Management Objectives

The Company's activity exposes itself to variety of financial risk which includes market risk, credit risk, liquidity risk, interest rate risk and price risk. The Company monitors and manages the above financial risks relating to the operations of the company through internal risk reports which analyses exposures by degree and magnitude of risks. The primary focus is to identify risks and take steps for mitigation of risk or to minimise the potential adverse effects on the financial performance of the Company. The Company does not enter into any derivative financial instruments to hedge risk exposures.

Foreign Currency Risk

The Company undertakes transactions denominated in foreign currencies and consequently has exposure to exchange rate fluctuations. The company operates internationally and a major portion of the international sales transaction are in USD and balance in EUR, purchases from overseas suppliers are in various foreign currencies. The exposure at the end of the reporting period does not reflect the transaction during the year and there is a natural hedge in the currency for USD and EUR. The exchange rate between INR and other currency does have an impact on the business. The company is a net exporter and export realisation combined with a depreciating INR has given the company a net foreign exchange gain.

These exchange rate exposures are not hedged by the Company. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:-

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(All amounts in ₹ Crores, unless otherwise stated)

Particulars		Amount in foreign currency		Equivalent INR	
		As at 31 st March 2024	As at 31 st March 2023	As at 31 st March 2024	As at 31 st March 2023
Sundry creditors	CHF	1,87,077	2,32,489	1.73	2.09
	EUR	23,86,497	19,08,092	21.50	17.03
	GBP	62,199	35,498	0.65	0.36
	JPY	25,03,67,882	21,79,32,616	13.79	13.48
	SEK	85,000	85,000	0.07	0.07
	SGD	4,273	6,102	0.03	0.04
	USD	37,88,630	53,87,842	31.58	44.24
Sundry Debtors	EUR	6,83,794	8,97,408	6.17	7.71
	GBP	19,819	22,799	0.21	0.23
	USD	1,44,77,258	2,16,96,816	120.70	176.20
Cash and Bank Balances	BDT	27,33,998	13,44,867	0.21	0.10
	KES	62,523	-	0.00	-
	TRY	10,79,106	81,229	0.28	0.03
	USD	55,158	45,269	0.46	0.37
	VND	3,04,74,076	4,83,70,838	0.01	0.02

The Company is mainly exposed to USD and EUR.

Foreign currency sensitivity analysis

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 5% against the respective functional currencies.

Particulars	31 st March 2024	31 st March 2023
Sundry creditors		
USD	31.58	44.24
Euro	21.50	17.03
Sundry Debtors		
USD	120.70	176.20
Euro	6.17	7.71
Net receivable		
USD	89.12	131.96
Euro	(15.33)	(9.32)
Total	73.79	122.64
Impact on profit : 5 % increase in currency rate	3.69	6.13
Impact on profit : 5 % decrease in currency rate	(3.69)	(6.13)

Interest rate risk – The Company holds interest bearing assets in the form of fixed deposits with banks. The variation in interest risks is managed by distributing deposits among wide base of banks and financial institutions.

Interest rate sensitivity analysis

The entity prepares sensitivity analysis for interest rate risk associated with fixed deposits by assuming various magnitudes of interest rate changes, which includes a 0.25% increase or decrease in interest rates.

Particulars	31 st March 2024	31 st March 2023
Fixed deposits in Banks	1,286.62	1,315.46
Impact on profit : increase of 25 basis points	3.22	3.29
Impact on profit : decrease of 25 basis points	(3.22)	(3.29)

Notes to the Standalone Financial Statements

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Price risk – Holding marketable financial assets expose the company to risk of price fluctuation. Price escalations will have insignificant impact on carrying amounts of respective financial assets. However, the Company is exposed to equity price risks from equity investments. Certain of the Company's equity investments are held for strategic rather than trading purposes.

Price sensitivity analysis

The sensitivity analysis for equity price risk is conducted by assuming a range of equity price changes, which involves a 5% increase or decrease in equity prices. Additionally, we take into account other relevant factors such as changes in equity prices for different equity markets and individual equity securities, correlations between these markets and securities, and the holding period.

Particulars	31 st March 2024	31 st March 2023
Fair value of Equity investments	264.52	169.77
Impact on Other Comprehensive Income :increase by 5%	13.23	8.49
Impact on Other Comprehensive Income :decrease by 5%	(13.23)	(8.49)

Credit risk – Credit risk arises from the risk of default on its obligation by the counterparty resulting in financial loss, such as cash and cash equivalents and outstanding receivables.

Credit risk arises from the risk of default on its obligation by the counterparty resulting in financial loss, such as cash and cash equivalents and outstanding receivables.

Credit risk on outstanding receivables is the exposure to billed receivable and are normally unsecured and derived from revenue earned from customer mostly from India. Credit risk is managed by the company through credit approvals and continuously monitoring the credit worthiness of the customer to which the company grants credit in the normal course of business. The company applied simplified approach of estimated credit loss for trade receivable, which provide for expected credit loss based on life-time expected losses. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The Company does not have any significant credit risk exposure to any single counterparty.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Liquidity risk – Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The company's principal source of liquidity is from cash and cash equivalent and the cash flow from operations. The company does not have any external borrowings from banks or any other financial institution. The company believes that the working capital through internal accruals is sufficient to meet its current requirements and hence the Company does not perceive any such risk.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Equity Price risk

Equity Price risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company's investments measured at fair value through other comprehensive income exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in quoted equity securities as of 31st March 2024 and 31st March 2023 was ₹264.52 Crores and ₹169.77 Crores respectively.

A 5% change in equity price as of 31st March 2024 and 31st March 2023 would result in an impact of ₹13.23 Crores and ₹8.49 Crores respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

Notes to the Standalone Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Capital management

The company's objective is to safeguard its financial stability, financial independence and its ability to continue as a going concern in order to generate returns for the shareholders and benefits for the other stake holders. The company incentivise the shareholders by paying optimum and regular dividends.

The Company determines the amount of capital required on the basis of annual operating plans and other strategic investment plans. The funding requirements are met through internally generated funds . The Company does not have any borrowings in its capital portfolio.

30.15 Revenue Expenditure on Research & Development of Textile Machinery Division amounting to ₹30.11 Crores (FY 2022-23 ₹35.95 Crores) and for Machine Tool Division amounting to ₹ 4.86 Crores (FY 2022-23 ₹15.89 Crores) has been charged to Statement of Profit and Loss and Capital expenditure relating to Research and Development for Textile Machinery Division amounting to ₹4.98 Crores (FY 2022-23 ₹4.31 Crores) and for Machine Tool Division amounting to ₹ Nil (FY 2022-23 ₹ Nil) has been included in Fixed Assets.

30.16 Additional regulatory information required by Schedule III

i) Details of benami property held

No proceedings have been initiated on or pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Wilful Defaulter

The company had not been declared a wilful defaulter by any bank or Financial Institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines of the wilful defaulter issued by the Reserve Bank of India.

iii) Relationship with struckoff companies

Name of Struck off Company	Nature of transactions	Transactions during the year ended 31 st March 2024	Balance outstanding at the end of the year as at 31 st March 2024	Relationship with the Struck off company, if any, to be disclosed
Achuk Consultants Engineers Pvt Ltd	Sale of Textile Machinery & Spares	0.00	0.00	Customer

iv) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

v) Compliance with approved scheme(s) of arrangements

No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

vi) Utilisation of borrowed funds

The Company does not have borrowed funds.

vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

viii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

ix) Valuation of Property, Plant & Equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

Notes to the Standalone Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

30.17 Disclosure of Ratios

Sl. No.	Ratio	Numerator	Denominator	FY 23-24			FY 22-23			Remarks
				Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
1	Current Ratio	Current Assets	Current Liabilities	2,203.38	1,051.84	2.09	2,195.47	1,381.69	1.59	31.83% Impact on account of change in deposit tenor and working capital management
2	Debt-Equity Ratio	Long Term Debts	Shareholder's Equity							Not Applicable
3	Debt Service Coverage Ratio	Earnings Available For Debt Service	Debt Service							Not Applicable
4	Return On Equity Ratio	Net Profits After Taxes – Preference Dividend	Average Shareholder's Equity	371.38	2,481.14	14.97%	350.21	2,142.61	16.35%	-8.42%
5	Inventory Turnover Ratio	Turnover	Average Inventory	4,520.17	601.13	7.52	4,456.69	570.74	7.81	-3.70%
6	Trade Receivables Turnover Ratio	Turnover	Average Trade Debtors	4,520.17	244.23	18.51	4,456.69	315.05	14.15	30.83% Improved Collection
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Creditors	2,967.40	644.32	4.61	3,153.00	648.42	4.86	-5.29%
8	Net Capital Turnover Ratio	Turnover	Working Capital	4,520.17	1,151.54	3.93	4,456.69	813.78	5.48	-28.32% Impact on account of change in deposit tenor and better working capital management
9	Operating Ratio	Operating Profit	Turnover	402.09	4,520.17	8.90%	408.38	4,456.69	9.16%	-2.92%

Notes to the Standalone Financial Statements for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Sl. No.	Ratio	Numerator	Denominator	FY 23-24		FY 22-23		% Variance	Remarks
				Numerator	Denominator	Numerator	Denominator		
10	Net Profit Ratio	Net Profit After Taxes	Turnover	371.38	4,520.17	350.21	4,456.69	7.86%	4.56%
11	Return On Capital Employed	Net Profit Before Interest and Taxes	Capital Employed	479.88	2,709.77	485.41	2,348.42	20.67%	-14.32%
12	Return On Investment	Income generated from Investments	Time weighted average investments	25.84	305.01	15.82	280.32	5.64%	50.12% Reducing Debt Yield has positive MTM impact for FY 2024

30.18 Further, previous years' figures have been regrouped / reclassified, wherever necessary, to conform with the current period presentation.

Terms of our report attached
For **S. Krishnamoorthy & Co**
Firm Registration No. 0014965
Chartered Accountants

B. Krishnamoorthi
Partner

Membership No. 020439

Place : Coimbatore

Date : 27th May 2024

For and on behalf of the Board of Directors

Sanjay Jayavarthanavelu
Chairman and Managing Director
DIN: 00004505

Jaidev Jayavarthanavelu
Wholesale Director
DIN: 07654117

V. Senthil

Chief Financial Officer

C R Shivkumaran

Company Secretary

FORM AOC I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures
(Information containing salient features of the financial statement of wholly owned subsidiary)

Part A : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Crores)

1. Sl. No.	3
2. Name of the subsidiary	LMW Textile Machinery (Suzhou) Co. Ltd., China LMW Aerospace Industries Limited, India LMW Global FZE, UAE
3. The date since when subsidiary was acquired	LMW Textile Machinery (Suzhou) Co. Ltd., China 04.09.2008 LMW Aerospace Industries Limited, India 09.04.2021 (Company incorporated on 16 th March, 2021) LMW Global FZE, UAE 04.02.2022
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	LMW Textile Machinery (Suzhou) Co. Ltd., China 1 st January 2023 to 31 st December 2023; (1 st April 2023 to 31 st March 2024- For consolidation purpose) LMW Aerospace Industries Limited, India 1 st April 2023 to 31 st March 2024 LMW Global FZE, UAE 1 st April 2023 to 31 st March 2024
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	LMW Textile Machinery (Suzhou) Co. Ltd., China RMB (Chinese Yuan); Closing Exchange rate as at 31 st March 2024 - 1 RMB = ₹ 11.54 (Previous year ₹ 11.95) LMW Global FZE, UAE AED; Closing Exchange rate as at 31 st March 2024 - 1 AED = ₹ 22.69 (Previous year ₹ 22.28)

Particulars	LMW Textile Machinery (Suzhou) Co. Ltd., China		LMW Aerospace Industries Limited, India		LMW Global FZE, UAE	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023	31.3.2024	31.3.2023
6. Share capital	65.14	65.14	2.50	2.50	5.12	5.12
7. Reserves & Surplus	14.63	29.29	-	-	23.78	8.46
8. Total assets	129.72	171.70	2.50	2.50	84.27	72.47
9. Total liabilities	129.72	171.70	2.50	2.50	84.27	72.47
10. Investments	-	-	-	-	-	-
11. Turnover	27.63	272.22	-	-	249.13	120.49
12. Profit before taxation	(12.65)	23.76	-	-	14.93	8.12
13. Provision for taxation	-	-	-	-	-	-
14. Profit after taxation	(12.65)	23.76	-	-	14.93	8.12

Particulars	LMW Textile Machinery (Suzhou) Co. Ltd., China		LMW Aerospace Industries Limited, India		LMW Global FZE, UAE	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023	31.3.2024	31.3.2023
15. Proposed Dividend	-	-	-	-	-	-
16. Extent of shareholding [In %]	100.00	100.00	100.00	100.00	100.00	100.00
17. Names of subsidiaries which are yet to commence operations	LMW Aerospace Industries Limited, India					
18. Names of subsidiaries which have been liquidated or sold during the year	Not applicable					

Part B : Associates and Joint ventures

Statement pursuant to section 129(3) of the Companies act, 2013 related to Associate Companies and Joint ventures

Not Applicable

Name of associates/Joint ventures

1. Latest audited Balance Sheet Date	
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of associate/Joint ventures held by the company on the year end	
No.	
Amount of investment in associates/joint venture	
Extend of holding [In %]	
4. Description of how there is significant influence	
5. Reason why the associate/joint venture is not consolidated	
6. Net worth attributable to shareholding as per latest audited Balance Sheet	
7. Profit/loss for the year	
i) considered in consolidation	
ii) not considered in consolidation	
8. Names of associates or joint ventures which are yet to commence operations	
9. Names of associates or joint ventures which have been liquidated or sold during the year	

See accompanying notes to financial statements

Interms of our report attached
For **S. Krishnamoorthy & Co**
Firm Registration No. 001496S
Chartered Accountants

B. Krishnamoorthi
Partner
Membership No. 020439

Place : Coimbatore
Date : 27th May 2024

For and on behalf of the Board of Directors

Sanjay Jayavarthanavelu
Chairman and Managing Director
DIN: 00004505

V. Senthil
Chief Financial Officer

Jaidev Jayavarthanavelu
Wholetime Director
DIN: 07654117

C R Shivkumaran
Company Secretary

Consolidated Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF **LAKSHMI MACHINE WORKS LIMITED**
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **LAKSHMI MACHINE WORKS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of Material accounting policies, Notes to the Financial Statements and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, consolidated profit, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements..

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Response to Key Audit Matter
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in respect of "Revenue from contracts with Customers" under Ind AS 115.	<p>Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows:</p> <ul style="list-style-type: none">• Evaluated the effectiveness of controls over the preparation of information that are designed to ensure the completeness and accuracy.• Selected a sample of existing continuing contracts and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.

of progress of the contract, efforts incurred till date, efforts required to complete the remaining performance obligation

- Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with Ind AS 115.
- Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.
- Performed analytical procedures and test of details for reasonableness and other related material items.

Assessment of carrying value of investments

The Group has invested in listed equity instruments and debt instruments. We consider this a key audit matter given the relative significance of the value of investments.

Our procedures in relation to assessing the carrying value of investments include the following observations.

- The equity investments are carried at fair value as on 31st March 2024.
- The investments in unquoted equity instruments are carried at cost. During the year the Group has made new investments.
- During the year the Group has sold investments in Non-convertible debentures. All the investments in debentures are measured at cost.
- The Group has also invested in debt oriented mutual funds, and the same has also been recognised at fair market value as on 31st March 2024.

Assessment of Contingent Liability

There are a number of litigations pending before various forums against the Group and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter under consideration and judgments/ interpretation of law involved. (Refer Note 30.2 to the consolidated financial statements)

The audit procedures included but were not limited to:

- Obtaining a detailed understanding processes and controls of the Management with respect to claims or disputes.
- Performing following procedures on samples selected.
- Understanding the matters by reading the correspondences, communications, minutes of the management meeting.
- Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with the basis, and the future course of action contemplated by the Group, and perusing legal opinions, if any, obtained by the Management.
- Obtaining direct confirmation from the legal attorneys of the Group and considering their opinions /probability assessment of the outcomes.
- Evaluating the evidence supporting the judgement of the management about possible outcomes and the reasonableness of the estimates.
- Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.

Other Matters

We did not audit the financial statements of two subsidiaries LMW Textile Machinery (Suzhou) Co. Ltd., China and LMW Global FZE, UAE whose Ind AS financial statements reflect total assets of ₹213.99 Crores as at 31st March 2024 and total turnover of ₹276.76 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of profit of ₹2.28 Crores for the year ended 31st March 2024 as considered

in the consolidated financial statements, in respect of the subsidiary, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

During Financial Year 2023-24, there were no transactions in LMW Aerospace Industries Ltd.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that gives a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section

133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements.
- We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the

direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entity included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for

the purposes of our audit of the aforesaid Consolidated Financial Statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated statement of Cash Flows and the Consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company and the subsidiary (LMW Aerospace Industries Limited) as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company and the above-mentioned subsidiary incorporated in India is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our Report express an Unmodified opinion on the adequacy and operating effectiveness of internal financial controls over the financial reporting of those companies.
- g) With respect to other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note No. 30.2 to the Consolidated Financial Statements.
- ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No.18 to the Consolidated Financial Statements.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.
- iv. (a) The respective Management of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or the subsidiary (LMW Aerospace Industries Limited) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or the subsidiary (LMW Aerospace Industries Ltd) ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Management of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or the subsidiary (LMW Aerospace Industries Limited) from any other person or entity, including foreign entity ("Funding parties"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us on the Holding company and its subsidiary (LMW Aerospace Industries Ltd) which are companies incorporated in India whose Financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.
- Based on our examination which included test checks, and as communicated by the respective auditors of subsidiaries, the Group have used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, did not come across any instance of audit trail feature being tampered with.
- As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the company included in the Consolidated Financial Statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **S. Krishnamoorthy & Co**
Chartered Accountants
Firm Registration No. 001496S

B. Krishnamoorthi
Partner

Place : Coimbatore
Date : 27th May 2024

Membership No.020439
UDIN: 24020439BKABBW7216

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Lakshmi Machine Works Limited of even date)

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of **LAKSHMI MACHINE WORKS LIMITED** (hereinafter referred to as “the Company”), the holding company and its subsidiary (LMW Aerospace Industries Limited) which are companies incorporated in India as on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its subsidiary (LMW Aerospace Industries Limited) which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10)

of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting of the Holding company and its subsidiary (LMW Aerospace Industries Limited) which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance

with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

company and its subsidiary (LMW Aerospace Industries Limited) which are companies incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024 based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. Krishnamoorthy & Co**
Chartered Accountants
Firm Registration No. 001496S

B. Krishnamoorthi

Partner

Membership No.020439

UDIN: 24020439BKABBW7216

Place : Coimbatore

Date : 27th May 2024

Consolidated Balance Sheet

As at 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at 31 st March 2024	As at 31 st March 2023
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	958.05	887.44
Capital work-in-progress	3	9.31	24.38
Other Intangible assets	4	14.09	15.40
Financial Assets			
(i) Investments	5	291.20	182.93
(ii) Other financial assets	9	486.00	727.84
Total Non - Current Assets		1,758.65	1,837.99
Current Assets			
Inventories	6	619.61	701.80
Financial Assets			
(i) Investments	5	350.12	325.42
(ii) Trade receivables	7	129.65	232.57
(iii) Cash and cash equivalents	8(a)	118.41	157.44
(iv) Bank balances other than (iii) above	8(b)	836.34	603.94
(v) Other financial assets	9	78.50	41.20
Current tax asset (net)	10	34.28	25.60
Other current assets	11	105.86	164.09
Total Current Assets		2,272.77	2,252.06
Total Assets		4,031.42	4,090.05
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	10.68	10.68
Other Equity	13	2,692.96	2,327.87
Equity attributable to owners of the company		2,703.64	2,338.55
Total Equity		2,703.64	2,338.55
Liabilities			
Non-Current Liabilities			
Deferred tax liabilities (net)	14	47.48	48.43
Other non-current liabilities	15	222.55	334.21
Total Non - Current Liabilities		270.03	382.64
Current Liabilities			
Financial Liabilities			
(i) Trade payables	16		
Due to Micro and Small Enterprises		54.03	8.37
Due to Others		476.28	659.56
(ii) Other financial liabilities	17	173.28	170.21
Provisions	18	18.08	18.12
Other current liabilities	19	336.08	512.60
Total Current Liabilities		1,057.75	1,368.86
Total Liabilities		1,327.78	1,751.50
Total Equity and Liabilities		4,031.42	4,090.05

See accompanying notes to financial statements

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In terms of our report attached
For **S. Krishnamoorthy & Co**
Firm Registration No. 001496S
Chartered Accountants

B. Krishnamoorthi
Partner
Membership No. 020439

Place : Coimbatore
Date : 27th May 2024

For and on behalf of the Board of Directors

Sanjay Jayavarthanavelu
Chairman and Managing Director
DIN: 00004505

V. Senthil
Chief Financial Officer

Jaidev Jayavarthanavelu
Wholtime Director
DIN: 07654117

C R Shivkumaran
Company Secretary

Consolidated Statement of Profit & Loss

For the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year Ended 31 st March 2024	Year Ended 31 st March 2023
INCOME			
Revenue from operations	20	4,695.86	4,719.15
Other income	21	143.52	147.83
Total Income		4,839.38	4,866.98
EXPENSES			
Cost of materials consumed	22	2,945.41	3,083.79
Purchase of stock in trade		-	-
Changes in inventories of finished goods, Work-in-progress and Stock in trade	23	28.62	(76.97)
Employee benefit expense	24	412.06	379.90
Depreciation and amortisation expense	25	96.34	77.74
Impairment loss on financial assets	26	6.13	3.46
Other expenses	27	868.66	879.84
Finance costs	28	-	-
Total Expenses		4,357.22	4,347.76
Profit before exceptional items and tax		482.16	519.22
Exceptional Items			
Voluntary retirement scheme payments	30.6	-	-
Profit before tax after exceptional items		482.16	519.22
Tax Expense			
Current tax	29.1	109.45	110.00
Deferred tax	29.1	(0.95)	25.20
Total tax expense		108.50	135.20
Profit after tax from continuing operations for the year		373.66	384.02
Other comprehensive income			
Items that will not be reclassified to Profit and loss			
Changes in Fair value of FVTOCI equity instruments		94.75	5.30
Remeasurement of post-employment defined benefit plans		1.87	2.65
Income-tax relating to these items		(0.47)	(0.66)
Items that will be reclassified to Profit and loss			
		-	-
Total Other Comprehensive Income to owners of equity		96.15	7.29
Total Comprehensive Income for the year to owners of equity		469.81	391.31
Basic Earnings per share [In ₹][Face value ₹10/- per share]		349.77	359.47
Diluted Earnings per share [In ₹][Face value ₹10/- per share]		349.77	359.47

See accompanying notes to financial statements

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In terms of our report attached
For **S. Krishnamoorthy & Co**
Firm Registration No. 001496S
Chartered Accountants

B. Krishnamoorthi
Partner
Membership No. 020439

Place : Coimbatore
Date : 27th May 2024

For and on behalf of the Board of Directors

Sanjay Jayavarthanavelu
Chairman and Managing Director
DIN: 00004505

V. Senthil
Chief Financial Officer

Jaidev Jayavarthanavelu
Wholetime Director
DIN: 07654117

C R Shivkumaran
Company Secretary

Consolidated Statement of Changes in Equity

For the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Equity Share Capital

Particulars	As at 31 st March 2024	As at 31 st March 2023
Opening Balance	10.68	10.68
Changes in equity share capital during the year	-	-
Closing Balance	10.68	10.68

Particulars	Reserves and Surplus					Other Comprehensive Income						Total			
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges		Revaluation Surplus	Other Items of Other Comprehensive Income (specify nature)	Money received against share warrants
Balance at the beginning of the year	-	-	7.01	-	1.69	207.83	1,955.96	6.22	-	149.16	-	-	-	-	2,327.87
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the year	-	-	-	-	-	-	1.40	-	-	94.75	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(105.23)	-	-	-	-	-	-	-	96.15
Dividends	-	-	-	-	-	-	373.66	-	-	-	-	-	-	-	(105.23)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	373.66
Transfer to General Reserve	-	-	-	-	-	37.00	(37.00)	0.51	-	-	-	-	-	-	0.51
Balance at the end of the year	-	-	7.01	-	1.69	244.83	2,188.79	6.73	-	243.91	-	-	-	-	2,692.96
Consolidated Statement of Changes in Equity for the year ended 31st March 2023															
Balance at the beginning of the year	-	-	7.01	-	1.69	172.83	1,647.68	6.42	-	143.86	-	-	-	-	1,979.49
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	1.99	-	-	5.30	-	-	-	-	7.29
Dividends	-	-	-	-	-	-	(42.73)	-	-	-	-	-	-	-	(42.73)
Transfer to retained earnings	-	-	-	-	-	-	384.02	-	-	-	-	-	-	-	384.02
Transfer to General Reserve	-	-	-	-	-	35.00	(35.00)	(0.20)	-	-	-	-	-	-	(0.20)
Balance at the end of the year	-	-	7.01	-	1.69	207.83	1,955.96	6.22	-	149.16	-	-	-	-	2,327.87

For and on behalf of the Board of Directors

In terms of our report attached
For **S. Krishnamoorthy & Co**
Firm Registration No. 001496S
Chartered Accountants

B. Krishnamoorthi
Partner
Membership No. 020439
Place : Coimbatore
Date : 27th May 2024

Sanjay Jayavarthanavelu
Chairman and Managing Director
DIN: 00004505

Jaidev Jayavarthanavelu
Wholetime Director
DIN: 07654117

V. Senthil
Chief Financial Officer

C R Shivkumaran
Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year Ended 31 st March 2024		Year Ended 31 st March 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit after exceptional items but before tax		482.16		519.22
Adjustments for :				
Depreciation and amortisation expense	96.34		77.74	
Profit on sale of assets	(1.59)		(24.15)	
Loss on sale of assets	0.30		0.92	
Interest income	(90.65)		(67.91)	
Dividend income	(0.68)		(1.14)	
Profit from Redemption of Debentures / Mutual Fund	(0.46)		(4.75)	
Income from Mutual funds designated at FVTPL	(24.70)		(9.93)	
Unrealised Loss / (Gain) on Foreign Currency Cash and cash equivalents	0.01	(21.43)	0.00	(29.22)
Operating Profit before working capital changes		460.73		490.00
Adjustments for (increase) / decrease in operating assets				
Trade receivables	102.92		89.82	
Inventories	82.19		(186.66)	
Other financial assets-Non Current	(18.01)		4.58	
Other financial assets- Current	(6.74)		(7.23)	
Other Current assets	58.24		(39.37)	
Adjustments for increase / (decrease) in operating liabilities				
Trade payables	(137.62)		117.90	
Other non current liabilities	(109.79)		(92.43)	
Provisions	(0.04)		6.05	
Other financial liabilities	3.32		59.16	
Other current liabilities	(176.04)	(201.57)	(20.01)	(68.19)
Cash used in/ generated from operations		259.16		421.81
Taxes paid		(118.58)		(57.67)
Net Cash used in/generated from operations	[A]	140.58		364.14
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed assets / Capital Work In Progress		(151.13)		(278.11)
Proceeds from sale of fixed assets		1.85		25.02
Interest received		70.76		63.29
Dividend received		0.68		1.14
Investment in Equity Shares / Mutual Funds / Debentures		(16.67)		(71.91)
Proceeds of Sale from Redemption of debenture and other funds		3.61		31.96
(Increase) / Decrease in Bank balances not considered as cash and cash equivalent		16.78		(13.63)
Net cash used in investing activities	[B]	(74.12)		(242.24)

Consolidated Cash Flow Statement (contd..)

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
C. CASHFLOW FROM FINANCING ACTIVITIES		
Dividends paid	(105.23)	(42.73)
Transfer of unpaid dividends to IEPF	(0.25)	(0.24)
Finance cost	-	-
Net cash used in financing activities	[C] (105.48)	(42.97)
Net increase in cash and cash equivalents	[A + B + C] (39.02)	78.93
Cash and cash equivalents at beginning of the period	[D] 157.44	78.51
Cash and cash equivalents at end of the period	[E] 118.42	157.44
Net increase / (decrease) in cash and cash equivalents	[E-D] (39.02)	78.93
Cash & Cash equivalents as per Balance Sheet	118.41	157.44
Unrealised Loss / (Gain) on Foreign Currency Cash and cash equivalents	0.01	0.00
Cash and Cash equivalents as per Cash flow Statement	118.42	157.44

See accompanying notes to financial statements

In terms of our report attached
For **S. Krishnamoorthy & Co**
Firm Registration No. 001496S
Chartered Accountants

B. Krishnamoorthi
Partner
Membership No. 020439

Place : Coimbatore
Date : 27th May 2024

For and on behalf of the Board of Directors

Sanjay Jayavarthanelu
Chairman and Managing Director
DIN: 00004505

V. Senthil
Chief Financial Officer

Jaidev Jayavarthanelu
Wholetime Director
DIN: 07654117

C R Shivkumaran
Company Secretary

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

1. Corporate Information

Lakshmi Machine Works Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its registered office and principal place of business are disclosed in the introduction to the Annual report. Its shares are listed on two stock exchanges in India, the National Stock Exchange of India Limited [NSE] and the BSE Limited [BSE]. 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. The Consolidated Financial statements are approved for issue by the Company's Board of Directors on 27th May 2024.

2. Material Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under Sec. 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013(Act) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the group takes into account the characteristics of the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into:

Level 1 (unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date);

Level 2 (inputs other than quoted prices included within Level 1), that are observable for the asset or liability, either directly or indirectly;

Level 3 (unobservable inputs for the asset or liability). Fair value in respect of equity financial instruments are the quoted prices of those instruments in the stock exchanges at the measurement date.

a) Current and Non-Current Classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

b) Functional and Presentation Currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). Indian rupee is the presentation currency of the Group.

The financial statements are presented in Indian Rupees (₹) which is the Group's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest Crores except where otherwise indicated.

c) Use of Estimates

The preparation of Consolidated financial statements in conformity with Ind AS requires the management to make estimates and judgements that affect the

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the Consolidated financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are reflected in the Consolidated financial statements in the year in which the changes are made.

Significant estimates and assumptions are used for, but not limited to,

- (i) Estimation of useful life of Property, Plant and Equipment, Refer Note: 2.3 & Note 3
- (ii) Estimation of useful life of Intangible Assets – Refer Note 2.4 & Note 4
- (iii) Provisions and Contingent Liabilities – Refer Note: 30.2
- (iv) Recognition of deferred taxes – Refer Note: 14
- (v) Key actuarial assumptions for measurement of future obligations under employee benefit plans – Refer Note: 30.10

d) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 1, 2023.

(i) Definition of Accounting estimates – Amendments to Ind AS 8 :

The amendments clarify the distinction between the changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more

useful by replacing the requirements for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group do not expect this amendment to have any significant impact on its Consolidated financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from single transaction – Amendments to Ind AS 12

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

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

e) Basis of consolidation

- (i) Lakshmi Machine Works Limited consolidates entities which it owns or controls. The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.
- (ii) The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

- (iii) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- (iv) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).
- (v) The audited / unaudited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or Ind AS.
- (vi) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (vii) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.
- (viii) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

2.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost net off indirect taxes, 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 Property, Plant and Equipment is added to the cost of the asset.

Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Spare parts, stand-by equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Property, plant and equipment represent a significant proportion of the asset base of the Company. Depreciation on Property, Plant and Equipment is provided using Straight Line Method (SLM) over the estimated useful life.

The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end with the effect of any changes in estimate accounted for on a prospective basis. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

The management estimates of the useful lives of the Property, Plant and Equipment are as follows:

Asset Type	Estimated Useful life
Buildings	20-60 years
Leasehold Land	99 years
Plant and Equipment	
a. Main Machines	8-20 years
b. Ancillary Machines	3-7 years
Windmills	22 years
Solar Plant	10 Years
Furniture & fixtures	8-10 years
Vehicles	6-8 years
Office Equipment's	7-15 years

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as

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for the year ended 31st March 2024

the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

For transition to IND AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.4 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The useful life of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end with the effect of any changes in estimate accounted for on a prospective basis. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

The management estimates of the useful lives of the intangible assets are as follows:

Asset Type	Useful Life
Technical Knowhow	6 years
Software	6 years

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

An intangible asset is de-recognised upon disposal or when no future economic benefits are expected to arise.

Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is de-recognised.

For transition to IND AS, the group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.5 Investment Property

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

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management's expert.

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

2.6 Impairment of assets

Property, Plant and Equipment or Intangible asset is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment has to be recognised in the Statement of Profit and Loss.

An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization) had no impairment loss been recognised for the asset in prior years.

2.7 Financial Instruments

Financial Asset

Initial recognition

The Group recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognised at fair value on initial

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recognition, except for trade receivables which are initially measured at transaction price.

Transaction costs that are directly attributable to the acquisition of financial assets (except for financial assets carried at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

(ii) Financial assets carried at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. All fair value changes are recognised in the Other Comprehensive Income except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss

(iii) Financial assets carried at fair value through profit or loss (FVTPL)

Financial assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortised cost or at FVTOCI. Movement in Fair value changes are recognised in the statement of profit and loss.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The Group while applying EIR method, generally amortises any fees, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised in the Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at FVTPL. EIR (Effective Interest Rate) is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain/loss measured using the previous EIR as calculated before the modification, is recognised in the Statement of Profit and Loss in period during which such renegotiations occur.

Investments in Equity Instruments

All equity investments other than in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Group chooses to make an irrevocable election and designates it as FVTOCI.

An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in "Reserve for Equity instruments through OCI". There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

Impairment of financial assets

Trade receivables, contract assets, lease receivables, investments in debt instruments that are carried at amortised cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses for the respective financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects

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for the year ended 31st March 2024

to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses.

To make that assessment, the group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

In the event of a customer being identified as insolvent or ceasing operations, we conduct an assessment of the recoverability of any outstanding receivables from that customer. If it is determined that there is a high degree of uncertainty regarding the likelihood of recovering the receivable, we recognize it as an expense in the income statement by writing it off. This write-off is recorded when the potential loss is identified, rather than waiting for the legal process to be completed.

Derecognition of financial assets

The Group de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers substantially all the risks and rewards of ownership of the financial asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount (Measured at the date of derecognition) and the sum of the consideration received shall be recognised in the statement of profit and loss account.

Foreign exchange gains and losses

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

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair

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value of FVTOCI financial assets are recognised in other comprehensive income.

2.8 Equity Instruments and Financial Liabilities

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received.

Repurchase of the group's own equity instruments is recognised and deducted directly in equity.

Financial liabilities

Initial Recognition

The Group recognizes financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised at fair value on initial recognition, except for trade payables. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liabilities at amortized cost

The Group's financial liabilities at amortized cost are initially recognised at net of transaction costs and includes trade payables, borrowings including bank overdrafts and other payables

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognised in a business combination which is subsequently measured at fair value through profit and loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and

losses are determined based on the amortized cost of the instruments and are recognised in 'Other income/Expense'.

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

Derecognition of financial liabilities

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

Similarly, a substantial modification of the terms of an existing financial liability is accounted as derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.9 Valuation of Inventories

Inventories are valued at lower of cost or net realisable value after providing for obsolescence wherever necessary.

Cost is determined on weighted average basis. Net realisable 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.

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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2.10 Translation of Foreign Currency Transactions

In preparing the financial statements of the group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.11 Recognition of Revenue

The Group identifies the contract with customer once the parties have approved the contract in writing and committed to perform the respective performance obligations. Any addition or alteration of contract shall be binding only if agreed to in writing. The Group identifies distinct performance obligations in the contract and recognizes revenue as and when the performance obligation is satisfied by transferring a promised good or service to a customer. The process of identifying distinct performance obligations requires exercising judgment to determine the deliverables and ability of the customer to benefit independently from such deliverables. The Group determines the transaction price which is the consideration that the Group expects to be entitled in exchange for good or service. The transaction price is then allocated to each performance obligation and revenue is recognised.

Sale of Goods: The Group manufactures and sells a range of Textile Machinery, Machine Tools, Accessories and parts, Casting and Aero-space Components. Revenue is recognised when control is transferred to the customer upon despatch or delivery of goods, based on the terms of contract.

The Group's obligation to replace faulty products under standard warranty terms is recognised as a provision (refer Note 18)

Rendering of Services: The Group renders services that include installation, maintenance, and other ancillary services. Revenue from services is recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with customer.

Export Incentives and Carbon Credit: Export incentives are recognised when the right to receive payment/credit is established and no significant uncertainty as to measurability or collectability exists. Revenue from carbon credits / REC

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

Royalty: Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement provided that it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Dividend: Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided if it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably.

Interest income: Interest income is accrued on a timely basis, reference to principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental Income: Rental Income is recognised on accrual basis in accordance with terms and conditions of respective rental agreements.

Income from Wind Energy: Revenue from power supply is recognised in terms of power purchase agreement entered with state distribution companies and is measured at the value of consideration received or receivable, net of discounts if any.

2.12 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of respective assets during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

2.13 Dividends

Final dividend on shares are recorded as a liability on the date of approval by the shareholders at the annual general meeting and interim dividend are recorded as a liability on the date of declaration by the group's Board of Directors.

2.14 Earnings per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity

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shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

2.15 Employee Benefits

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Defined Contribution Plans

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plans

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not re-classified to profit or loss. Past service cost is recognised in profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); net interest expense or income and remeasurement. The group presents the first two components of defined benefit costs in profit or loss

in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

2.16 Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits; it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

2.17 Taxes on Income

Income tax expense comprises current and deferred income tax.

Current Tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date. The group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for

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all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

Current and Deferred Tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future

2.18 Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised 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 / assets are not recognised but are disclosed in the notes to financial statements when an inflow of economic benefits is probable. Provisions, contingent liabilities are reviewed at

each balance sheet date and adjusted to reflect the current best estimate.

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

Present obligations, legal or constructive, arising under onerous contracts are recognised and measured as provisions.

An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Provisions for the expected cost of warranty obligations are recognised at the date of sale of relevant products, at the management's best estimate of the expenditure required to settle the group's obligation.

2.19 Cash Flow Statement and Cash and Cash equivalents

Cash Flows are reported using 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.

2.20 Segment Reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the group's Chief Executive Officer (CEO), who is the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance. Information reported to the CODM for the purpose of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided.

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for the year ended 31st March 2024

The group has three reportable segments, viz., Textile Machinery Division, the Machine Tool Division / Foundry and the Advanced Technology Centre, which are the group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of these business units, the group's CODM reviews internal management reports. Performance is measured based on segment profit before tax, as included in the internal management reports, that are reviewed by the group's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Intersegment pricing is determined on arm's length basis.

2.21 Leases

The group as a Lessee

The Group's lease asset class primarily consists of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the lessee has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the lessee has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

If lease arrangements include the options to extend or terminate the lease before the end of the lease term, then ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement

date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date using written down value method. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

In case of short-term leases or leases for which underlying asset is of low value, the Group recognizes the lease payments as an expense on a straight-line basis over the lease term.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

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(All amounts in ₹ Crores, unless otherwise stated)

3. Property, Plant and Equipment and Capital Work-in-Progress

Particulars	As at 31 st March 2024	As at 31 st March 2023
Carrying amounts of:		
Land *	88.54	87.94
Buildings	224.98	207.06
Plant and Equipment	505.58	448.60
Furniture and fixtures	22.16	18.32
Vehicles	105.13	117.55
Office Equipment	11.66	7.97
Sub Total	958.05	887.44
Capital Work-in-progress	9.31	24.38
Sub Total	9.31	24.38
Total	967.36	911.82

Particulars	Land*	Buildings	Plant & Equipment	Furniture & fixtures	Vehicles	Office Equipments	Total	Capital Work in progress
Gross carrying amount								
Balance as at 31st March 2023	88.89	261.43	704.97	35.28	129.12	11.80	1,231.49	24.38
Additions	0.73	27.42	118.37	10.09	1.10	4.12	161.83	9.31
Disposals	-	-	(10.49)	(0.13)	(0.47)	-	(11.09)	(24.38)
Balance as at 31st March 2024	89.62	288.85	812.85	45.24	129.75	15.92	1,382.23	9.31
Accumulated depreciation and impairment								
Balance as at 31st March 2023	0.95	54.37	256.37	16.96	11.57	3.83	344.05	-
Disposals	-	-	(9.99)	(0.13)	(0.33)	-	(10.45)	-
Depreciation Expense	0.13	9.50	60.89	6.25	13.38	0.43	90.58	-
Balance as at 31st March 2024	1.08	63.87	307.27	23.08	24.62	4.26	424.18	-
Net carrying amount								
Balance as at 31st March 2023	87.94	207.06	448.60	18.32	117.55	7.97	887.44	24.38
Additions	0.73	27.42	118.37	10.09	1.10	4.12	161.83	9.31
Disposals	-	-	(0.50)	-	(0.14)	-	(0.64)	(24.38)
Depreciation expense	(0.13)	(9.50)	(60.89)	(6.25)	(13.38)	(0.43)	(90.58)	-
Balance as at 31st March 2024	88.54	224.98	505.58	22.16	105.13	11.66	958.05	9.31

* Includes Lease hold land of ₹4.20 crores in respect of LMW Textile Machinery (Suzhou) Co. Ltd.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

4. Other intangible assets

Particulars	As at 31 st March 2024	As at 31 st March 2023
Carrying amounts of:		
Technical Knowhow	4.05	3.83
Software	10.04	11.57
Total	14.09	15.40

Particulars	Technical Knowhow	Software	Total
Gross carrying amount			
Balance at 31st March 2023	12.05	29.00	41.05
Additions	0.90	3.55	4.45
Eliminated on disposals of assets	-	-	-
Balance at 31st March 2024	12.95	32.55	45.50
Accumulated depreciation and impairment			
Balance at 31st March 2023	8.22	17.43	25.65
Eliminated on disposals of assets	-	-	-
Amortisation Expense	0.68	5.08	5.76
Balance at 31st March 2024	8.90	22.51	31.41
Carrying Amount			
Balance at 31st March 2023	3.83	11.57	15.40
Additions	0.90	3.55	4.45
Eliminated on disposals of assets	-	-	-
Amortisation Expense	(0.68)	(5.08)	(5.76)
Balance at 31st March 2024	4.05	10.04	14.09

Property, Plant and Equipment include

Particulars	Gross Block	Additions	Depreciation for the year	Accumulated Depreciation	Net Block
Assets leased out As at 31st March 2024					
Buildings	2.49	-	0.02	1.92	0.57
Machinery	13.00	-	0.16	11.95	1.05
Total	15.49	-	0.18	13.87	1.62
Assets leased out As at 31st March 2023					
Buildings	2.49	-	0.02	1.90	0.59
Machinery	13.00	-	0.16	11.79	1.21
Total	15.49	-	0.18	13.69	1.80

Income from above leased assets ₹0.43 Crores is grouped in rent receipts (Previous year ₹0.42 Crores)

Title deeds of Immovable Property not held in the name of the Group- ₹ Nil

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Capital-Work-in Progress (CWIP) as on 31st March 2024 and 31st March 2023:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.31	-	-	-	9.31
Previous Year	24.38	-	-	-	24.38
Projects temporarily suspended	-	-	-	-	-
Previous Year	-	-	-	-	-

5. Investments

Particulars	As at 31 st March 2024		As at 31 st March 2023	
	Quantity	Amount	Quantity	Amount
NON-CURRENT INVESTMENTS				
INVESTMENT IN EQUITY INSTRUMENTS				
a) Investment in quoted equity instruments (fully paid up) [At fair values]				
Cholamandalam Investment & Finance Co. Ltd [Face Value ₹2 per share]	17,12,810	198.10	17,12,810	130.45
Indian Bank [Face Value ₹10 per share]	69,562	3.62	69,562	2.00
Lakshmi Automatic Loom Works Ltd [Face Value ₹100 per share]	44,111	8.52	44,111	3.40
Pricol Ltd [Face Value ₹1 per share]	24,975	0.97	24,975	0.52
Rajshree Sugars & Chemicals Ltd [Face Value ₹10 per share]	1,00,000	0.58	1,00,000	0.39
Super Sales India Ltd [Face Value ₹10 per share]	3,00,000	42.00	3,00,000	23.04
The Lakshmi Mills Company Ltd [Face Value ₹100 per share]	26,916	10.73	26,916	9.97
b) Investment in unquoted equity instruments (fully paid up) [At Cost]				
Sharada Chambers Premises Co-op Society Ltd	5	-	5	0.00
Lakshmi Machine Works Employees Co-op Stores Ltd	500	-	500	0.00
REPCO Bank	750	-	750	0.00
Circ, Inc	-	8.34	-	-
c) Other Non Current Investment (At Cost)				
Decarbonization_Fund_II		8.33		-
Total (a+b+c)		281.19		169.77
INVESTMENT IN DEBENTURES (at amortised cost)				
Fedbank Financial Services Limited [NCD]	1,000	10.01	1,000	10.01
Shriram Finance Limited [NCD]	-	-	30	3.15
Total - Debentures		10.01		13.16
Total Non-current investments		291.20		182.93

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

5. Investments (Contd.)

Particulars	As at 31 st March 2024		As at 31 st March 2023	
	Quantity	Amount	Quantity	Amount
CURRENT INVESTMENTS				
INVESTMENTS IN MUTUAL FUNDS [at fair value]				
Aditya Birla Sun Life Mutual Fund	2,32,48,482	26.15	2,32,48,482	24.38
Axis Mutual Fund	96,50,813	29.17	96,50,813	27.05
Bharat Bond	2,54,08,299	30.29	2,54,08,299	28.21
DSP Mutual Fund	28,42,023	6.39	28,42,023	5.92
Edelweiss Mutual Fund	4,94,31,761	57.32	4,94,31,761	53.45
ICICI Prudential Mutual Fund	32,18,764	18.97	32,18,764	17.50
Bandhan Bond and Mutual Fund	3,60,64,211	48.19	3,60,64,211	44.86
Kotak Mutual Fund	70,06,292	53.50	70,06,292	49.58
Nippon India Mutual Fund	98,90,904	19.19	98,90,904	17.80
SBI Mutual Fund	3,09,05,798	44.98	3,09,05,798	41.92
HDFC Mutual Fund	53,41,577	15.97	53,41,577	14.75
Total Current Investments		350.12		325.42
NON CURRENT INVESTMENT				
Aggregate book value of quoted investments		20.62		20.62
Aggregate market value of quoted investments		264.52		169.77
Aggregate book value of unquoted investments		26.68		13.16
Aggregate amount of impairment in the value of investments		-		-
CURRENT INVESTMENT				
Aggregate book value of quoted investments		305.01		305.01
Aggregate market value of quoted investments		350.12		325.42
Category-wise investments - as per IND AS 109 classification				
Financial assets carried at fair value through profit or loss (FVTPL)		350.12		325.42
Financial assets carried at amortised cost		26.68		13.16
Financial assets carried at fair value through Other Comprehensive Income (FVTOCI)		264.52		169.77
Total		641.32		508.35

6. Inventories

Particulars	As at	As at
	31 st March 2024	31 st March 2023
Inventories (lower of cost or net realisable value)		
Raw materials	370.12	403.43
Work in progress	147.90	205.79
Finished goods	63.85	34.58
Stores and spares	37.74	58.00
Total	619.61	701.80

The cost of inventories recognised as an expense during the year is ₹2945.41 Crores. [Previous year ₹3083.79 Crores]

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

7. Trade Receivables

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current		
Unsecured, considered good		
From related parties	12.42	56.43
From others	130.75	186.16
Total	143.17	242.59
Allowance for doubtful debts (Expected credit loss allowance)	13.52	10.02
Total	129.65	232.57

Concentration of Risk

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consists of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days, the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

Ageing	Expected credit loss %
Within the credit period	0.25
Less than one year	6.37
More than one year	38.16

Trade Receivables ageing schedule for the year ended as on 31st March 2024 and 31st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	46.36	65.74	8.32	19.37	1.14	2.24	143.17
Previous Year	77.15	130.85	15.68	15.59	0.32	3.00	242.59
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total Trade Receivable	46.36	65.74	8.32	19.37	1.14	2.24	143.17
<i>Previous Year</i>	<i>77.15</i>	<i>130.85</i>	<i>15.68</i>	<i>15.59</i>	<i>0.32</i>	<i>3.00</i>	<i>242.59</i>
Less : Allowance for doubtful debts (Expected credit loss allowance)							13.52
<i>Previous Year</i>							10.02
Total Trade Receivable net of credit loss allowance							129.65
<i>Previous Year</i>							<i>232.57</i>

Movement in the expected credit loss allowance

Age of receivables	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	10.02	8.24
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses net of bad debts written off	3.50	1.78
Balance at the end of the year	13.52	10.02

8. (a) Cash and cash equivalents

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balances with Banks		
Current account	115.66	145.15
Deposits with original maturity of less than 3 months	2.50	12.00
Cash on hand	0.25	0.29
Total	118.41	157.44

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

8. (b) Other bank balances

Particulars	As at 31 st March 2024	As at 31 st March 2023
Deposits held as Margin Money	0.09	0.10
Unpaid dividend account	0.96	0.88
Deposits with original maturity of more than 3 months but less than 12 months	835.29	602.96
Total	836.34	603.94

9. Other financial assets

Particulars	As at 31 st March 2024	As at 31 st March 2023
Non-current		
i) Capital advances	15.10	3.49
ii) Advances other than capital advances		
Security Deposit	14.07	7.62
Other advances	2.60	2.65
iii) Bank deposits with original maturity of more than 12 months	454.07	703.25
iv) Interest accrued on bank deposits	0.16	10.83
Total	486.00	727.84
Current		
Interest accrued on bank deposits	59.30	28.74
Income receivable	19.20	12.46
Total	78.50	41.20

10. Current Tax Assets (Net)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current tax assets		
Income tax advances	254.20	135.60
Current tax liabilities		
Income tax provisions	219.92	110.00
Total	34.28	25.60

11. Other current assets

Particulars	As at 31 st March 2024	As at 31 st March 2023
Advance to suppliers and others	93.16	115.37
Prepaid Expenses	9.64	7.90
Balances with Central Excise, VAT, Customs etc.	3.01	40.78
Miscellaneous Expenditure to the extent not written off	0.05	0.04
Total	105.86	164.09

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

12. Equity Share Capital

Particulars	As at 31 st March 2024	As at 31 st March 2023
Authorised Share Capital		
5,00,00,000 fully paid equity shares of ₹10 each	50.00	50.00
Issued, subscribed and fully paid up capital comprises:		
1,06,83,000 fully paid equity shares of ₹10 each	10.68	10.68
<i>(2,72,504 equity shares of ₹10 each were bought back during the financial year 2018-19)</i>		

Fully paid up equity shares	Number of shares	Share Capital
Balance as on 31 st March 2023	1,06,83,000	10.68
Balance as on 31st March 2024	1,06,83,000	10.68

Balance at the beginning of the current reporting period	Changes in Equity share capital due to prior period error	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
10.68	-	-	-	10.68

The Group has issued only one class of Equity share having a par value of ₹10 per share. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Group in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting, is entitled to one vote, and each share is entitled to one vote.

Details of Shares held by the Promoters and Promoters Group as at 31st March 2024

Sl. No.	Name of the Promoters and Promoters Group Members	No. of Shares 31.03.2024	% of Total shares	No. of Shares 31.03.2023	% of Total shares	% change during the year
1	Lakshmi Cargo Company Ltd	10,76,970	10.081	10,76,368	10.076	0.006
2	Lakshmi Technology And Engineering Industries Ltd	6,96,862	6.523	6,96,862	6.523	0.000
3	The Lakshmi Mills Company Limited	5,20,000	4.868	5,20,000	4.868	0.000
4	Lakshmi Ring Travellers (Coimbatore) Private Limited	2,52,180	2.361	2,52,180	2.361	0.000
5	Super Sales India Limited	2,29,480	2.148	2,29,480	2.148	0.000
6	Sanjay Jayavarthanavelu	1,42,291	1.332	1,42,291	1.332	0.000
7	Eshaan Enterprises Private Limited	1,27,110	1.190	1,27,110	1.190	0.000
8	J Rajyalakshmi	97,980	0.917	97,980	0.917	0.000
9	Lakshmi Electrical Control Systems Limited	88,800	0.831	88,800	0.831	0.000
10	Uttara Ravi	44,290	0.415	44,290	0.415	0.000
11	Lakshmi Electrical Drives Private Limited	17,500	0.164	17,500	0.164	0.000
12	Lakshmi Precision Technologies Limited	15,000	0.140	15,000	0.140	0.000
13	Shivali Jayavarthanavelu	7,970	0.075	7,970	0.075	0.000

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Details of Shares held by the Promoters and Promoters Group as at 31st March 2024 (Contd..)

Sl. No.	Name of the Promoters and Promoters Group Members	No. of Shares 31.03.2024	% of Total shares	No. of Shares 31.03.2023	% of Total shares	% change during the year
14	Ravi Sam	5,866	0.055	5,866	0.055	0.000
15	S Pathy	1,420	0.013	1,721	0.016	-0.003
16	Nethra J S Kumar	720	0.007	720	0.007	0.000
17	Jaidev Jayavarthanavelu	460	0.004	460	0.004	0.000
18	Dinakaran Senthilkumar (Huf)	160	0.001	160	0.001	0.000
19	Lalithadevi Sanjay Jayavarthanavelu	49	0.000	49	0.000	0.000
20	S Sunitha	0	0.000	301	0.003	-0.003

Details of Shares held by the Promoters and Promoters Group as at 31st March 2023

Sl. No.	Name of the Promoters and Promoters Group Members	No. of Shares 31.03.2023	% of Total shares	No. of Shares 31.03.2022	% of Total shares	% change during the year
1	Lakshmi Cargo Company Ltd	10,76,368	10.076	10,76,368	10.076	0.000
2	Lakshmi Technology And Engineering Industries Ltd	6,96,862	6.523	6,96,862	6.523	0.000
3	The Lakshmi Mills Company Limited	5,20,000	4.868	5,20,000	4.868	0.000
4	Lakshmi Ring Travellers (Coimbatore) Private Limited	2,52,180	2.361	2,52,180	2.361	0.000
5	Super Sales India Limited	2,29,480	2.148	2,29,480	2.148	0.000
6	Sanjay Jayavarthanavelu	1,42,291	1.332	1,42,291	1.332	0.000
7	Eshaan Enterprises Private Limited	1,27,110	1.190	1,27,110	1.190	0.000
8	J Rajyalakshmi	97,980	0.917	97,980	0.917	0.000
9	Lakshmi Electrical Control Systems Limited	88,800	0.831	88,800	0.831	0.000
10	Uttara Ravi	44,290	0.415	44,290	0.415	0.000
11	Lakshmi Electrical Drives Private Limited	17,500	0.164	17,500	0.164	0.000
12	Lakshmi Precision Technologies Limited	15,000	0.140	15,000	0.140	0.000
13	Shivali Jayavarthanavelu	7,970	0.075	7,970	0.075	0.000
14	Ravi Sam	5,866	0.055	5,866	0.055	0.000
15	S Pathy	1,721	0.016	1,721	0.016	0.000
16	Nethra J S Kumar	720	0.007	720	0.007	0.000
17	Jaidev Jayavarthanavelu	460	0.004	460	0.004	0.000
18	S Sunitha	301	0.003	301	0.003	0.000
19	Dinakaran Senthilkumar (Huf)	160	0.001	160	0.001	0.000
20	Lalithadevi Sanjay Jayavarthanavelu	49	0.000	49	0.000	0.000
21	K Arjun *	NA	NA	313	0.003	NA
22	K Nithin *	NA	NA	305	0.003	NA

* ceased to be part of promoter group as per stock exchange order issued during August 2022.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Shareholders holding more than 5% Equity shares

Sl. No	Particulars	As at 31 st March 2024		As at 31 st March 2023	
		Number	Percentage	Number	Percentage
1	Lakshmi Cargo Company Limited	10,76,970	10.08	10,76,368	10.08
2	Lakshmi Technology and Engineering Industries Limited	6,96,862	6.52	6,96,862	6.52
3	Nemish S Shah	5,84,673	5.47	5,99,673	5.61
4	Voltas Limited	5,79,672	5.43	5,79,672	5.43

13. Other Equity

Particulars	As at 31 st March 2024	As at 31 st March 2023
Capital Reserve	7.01	7.01
Capital Redemption Reserve	1.69	1.69
General Reserve	244.83	207.83
Reserve for equity instruments and others through other comprehensive income	243.91	149.16
Retained Earnings	2,188.79	1,955.96
Foreign Currency Translation Reserve	6.73	6.22
Total	2,692.96	2,327.87

13.1 Capital Reserve

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	7.01	7.01
Add: Movements during the year	-	-
Balance at the end of the year	7.01	7.01

Capital reserve represents the reserves arising out of earlier business combinations.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

13.2 Capital Redemption Reserve

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	1.69	1.69
Add: Transfer from General Reserve	-	-
Balance at the end of the year	1.69	1.69

Capital Redemption Reserve is a statutory reserve created at amounts equal to the face value of the shares bought back as per the provisions of company law.

13.3 General Reserve

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	207.83	172.83
Add: Transfer from retained earnings	37.00	35.00
Balance at the end of the year	244.83	207.83

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

13.4 Reserve for equity instruments through other comprehensive income

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	149.16	143.86
Net fair value gain on investments in equity instruments at FVTOCI	94.75	5.30
Balance at the end of the year	243.91	149.16

The Group has elected to recognise changes in fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve which represents the the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off. Remeasurement of post employment defined benefit plans is included in OCI.

13.5 Retained Earnings

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	1,955.96	1,647.68
Add: Profit attributable to the owners of the company	373.66	384.02
Less: Payment of dividends on equity shares	(105.23)	(42.73)
Less: Transfer to General Reserve	(37.00)	(35.00)
(Less)/Add: Remeasurement of post-employment benefit obligations [Net of tax]	1.40	1.99
Balance at the end of the year	2,188.79	1,955.96

In financial year 2023-24, on 10.08.2023 a dividend of ₹98.50 per share (Total dividend ₹105.23 Crores) was paid to the holders of fully paid equity shares.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

In respect of the year ended 31st March 2024 the directors propose that a dividend of ₹75 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend payable is ₹80.12 Crores.

13.6 Foreign Currency Translation Reserve

Particulars	As at 31 st March 2024	As at 31 st March 2023
Balance at the beginning of the year	6.22	6.42
Exchange differences arising on translating the foreign operations	0.51	(0.20)
Balance at the end of the year	6.73	6.22

Exchange differences relating to the translation of the results and net assets of the group's foreign operations from their functional currency to the group's presentation currency i.e INR are accumulated in the foreign currency translation reserve.

14. Deferred Tax liability (Net)

Analysis of deferred tax assets / (liabilities) presented in the balance sheet:

Particulars	As at 31 st March 2024	As at 31 st March 2023
Deferred Tax assets	-	-
Deferred Tax liabilities	(47.48)	(48.43)
Total	47.48	48.43

2023-24

Particulars	Opening balance	Recognised in profit or loss	Closing balance
On account of VRS	3.97	(1.60)	2.37
On account of Property, Plant and Equipment	(60.60)	2.14	(58.46)
On account of Expected credit loss on receivables	2.52	0.88	3.40
On account of actuarial loss	5.68	(0.47)	5.21
Total	(48.43)	0.95	(47.48)

2022-23

Particulars	Opening balance	Recognised in profit or loss	Closing balance
On account of VRS	6.86	(2.89)	3.97
On account of Property, Plant and Equipment	(38.50)	(22.10)	(60.60)
On account of Expected credit loss on receivables	2.06	0.46	2.52
On account of actuarial loss	6.35	(0.67)	5.68
Total	(23.23)	(25.20)	(48.43)

15. Other Non-current liabilities

Particulars	As at 31 st March 2024	As at 31 st March 2023
Security deposits received against supply of machinery	222.55	334.21
Total	222.55	334.21

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

16. Trade Payables

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current		
Due to Micro, Small & Medium Enterprises [Refer Note 30.4]	54.03	8.37
Due to related parties	126.99	80.79
Others	349.29	578.77
Total	530.31	667.93

Trade Payable Ageing schedule as at 31st March 2024 and 31st March 2023

Particulars	Outstanding for following periods				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	54.03	-	-	-	54.03
<i>Previous Year</i>	8.37	-	-	-	8.37
(ii) Others	455.30	20.98	-	-	476.28
<i>Previous Year</i>	658.73	0.83	-	-	659.56
(iii) Disputed dues – MSME	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-
Total	509.33	20.98	-	-	530.31
<i>Previous Year</i>	667.10	0.83	-	-	667.93

17. Other Financial liabilities

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current		
Unpaid dividends	0.96	0.88
Other liabilities	172.32	169.33
Total	173.28	170.21

18. Provisions

Particulars	As at 31 st March 2024	As at 31 st March 2023
Current		
Provision for employee benefits		
Provision for gratuity	-	0.34
Other provisions		
Provision for warranty	18.08	17.78
Total	18.08	18.12

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

The provision for employee benefits include provision for gratuity and leave encashment. For detailed disclosure on the same, please refer note 30.10

The Group gives warranties for its products undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The Provisions for warranty claims represents the present value of the Management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under sale of goods legislations. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality. The timing of the outflows is expected to be within a period of one year.

Particulars	Provision for Warranty	
	As at 31 st March 2024	As at 31 st March 2023
Carrying amount at the beginning of the year	17.78	12.07
Additional provision made during the year	18.08	17.78
Amount used during the year	(17.78)	(12.07)
Carrying amount at the end of the year	18.08	17.78

19. Other Current liabilities

Particulars	As at 31 st March 2024	As at 31 st March 2023
Security deposit received against supply of machinery	140.50	222.42
Other advances	195.58	290.18
Total	336.08	512.60

20. Revenue From Operations

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Gross Sale of Products	4,618.47	4,639.03
Other operating revenues		
Repairs & Service charges & miscellaneous income	42.70	40.53
Sale of scrap	19.63	16.97
Export incentives	15.06	22.62
Total revenue from operations	4,695.86	4,719.15

Disaggregation of Revenue

Refer note no. 30.11 for disaggregated revenue information. The Management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

21. Other Income

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Interest income from financial assets at amortised cost	90.65	67.91
Dividend income from equity investments designated at FVTOCI	0.68	1.14
Profit from redemption of Debentures / Mutual Funds	0.46	4.75
Income from Mutual funds designated at FVTPL	24.70	9.93
Rental income	0.68	0.62
Net Gain on foreign currency transactions	20.83	38.77
Net Gain on sale of assets	1.59	24.15
Sale of wind energy banking units	3.93	-
Sale proceeds of Renewable Energy Certificate	-	0.56
Total other income	143.52	147.83

22. Cost of materials consumed

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Raw materials at the beginning of the year	403.43	306.97
Add: Purchases	3,021.31	3,271.96
Less: Sales	109.21	91.71
Less: Raw materials at the end of the year	370.12	403.43
Total cost of materials consumed	2,945.41	3,083.79

23. Changes in inventories of finished goods and work-in-progress

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Opening Stock		
Work-in-progress	205.79	130.56
Finished goods	34.58	32.84
Total	240.37	163.40
Closing Stock		
Work-in-progress	147.90	205.79
Finished goods	63.85	34.58
Total	211.75	240.37
Total changes in inventories of finished goods and work-in progress	28.62	(76.97)

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

24. Employee Benefit Expense

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Salaries and wages	356.89	327.17
Contribution to Provident and other funds	21.58	23.31
Staff welfare expenses	33.59	29.42
Total employee benefit expenses	412.06	379.90

25. Depreciation and amortisation expense

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Depreciation of property, plant and equipment	90.58	72.92
Amortisation of intangible assets	5.76	4.82
Total depreciation and amortisation expense	96.34	77.74

26. Impairment losses on financial assets and reversal of impairment on financial assets

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Impairment loss (Expected credit loss) allowance on trade receivables	6.13	3.46
Total	6.13	3.46

27. Other expenses

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Sales commission to agents	119.37	97.48
Consumption of stores and spare parts	153.53	157.44
Consumption of packing material	91.92	80.47
Power and fuel net of Green Energy (Green Energy adjusted CY ₹ 63.14 Crores; PY ₹ 58.58 Crores)	48.70	52.75
Rent expense	3.58	2.90
Repairs and maintenance		
Repairs to buildings	37.88	22.21
Repairs to machinery and others	88.61	75.10
Insurance	4.93	4.20
Rates and taxes, excluding taxes on income	5.09	10.06
Auditors' remuneration		
For Audit	0.21	0.20
Loss on sale of assets	0.30	0.92
Donations	8.93	1.67
Directors sitting fees	0.39	0.67
Non-executive directors' commission	0.74	0.78
Corporate Social Responsibility expenses (Note 30.7)	5.48	2.60

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

27. Other expenses (Contd..)

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Export expenses	49.45	115.47
Travelling Exps. & Maintenance of Vehicles	52.57	45.14
Research and development expenses	34.97	51.84
Service Outsourcing expenses	54.11	42.05
Sales Expenses	55.23	41.41
Miscellaneous expenses	52.67	74.48
Total other expenses	868.66	879.84

28. Finance costs

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Bill collection charges	-	-
Total	-	-

29. Income tax relating to continuing operations

29.1 Income tax recognised in profit or loss

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Current tax		
Current tax on profits for the year	109.45	110.00
Adjustments for current tax of prior periods	-	-
Total current tax expense	109.45	110.00
Deferred Tax		
Decrease / (Increase) of deferred tax assets	(0.95)	25.20
(Decrease) / Increase in deferred tax liabilities	-	-
Total deferred tax expense	(0.95)	25.20
Total income tax expense recognised for the year	108.50	135.20

29.2 Reconciliation of income tax expense to the accounting profit for the year

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Profit before tax after exceptional items	482.16	519.22
Enacted tax rate in India	25.17%	25.17%
Computed expected tax expense at enacted tax rate	121.36	130.69
Tax effect on account of tax deductions / Exemption	(14.98)	(22.86)
Tax effect of non-deductible expenses	3.07	2.17
Total income tax expense recognised for the year	109.45	110.00

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

29.3 Income tax recognised in other comprehensive income

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	-	-
Remeasurement of defined benefit obligations	(0.47)	(0.66)
Total	(0.47)	(0.66)
Bifurcation of income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(0.47)	(0.66)
Items that may be reclassified to profit or loss	-	-
Total	(0.47)	(0.66)

30.1 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 31st March 2024			
LMW Textile Machinery (Suzhou) Co. Ltd	China	100	31 st March 2024
LMW Aerospace Industries Limited	India	100	31 st March 2024
LMW Global FZE	UAE	100	31 st March 2024
For 31st March 2023			
LMW Textile Machinery (Suzhou) Co. Ltd	China	100	31 st March 2023
LMW Aerospace Industries Limited	India	100	31 st March 2023
LMW Global FZE	UAE	100	31 st March 2023

Name of the entity in the group	Net Assets i.e. total assets minus total liabilities		Share in profit of loss	
	As % of Consolidated Assets	Amount	As % of Consolidated Profit or Loss	Amount
Parent Company				
Lakshmi Machine Works Limited	95.90%	2,592.47	99.39%	371.38
<i>Previous Year</i>	95.28%	2,228.40	91.70%	352.14
Subsidiary- Indian				
LMW Aerospace Industries Limited	0.09%	2.50	0.00	0.00
<i>Previous Year</i>	0.11%	2.50	0.00	0.00
Subsidiary- Foreign				
LMW Textile Machinery (Suzhou) Co. Ltd	2.95%	79.77	(3.39%)	(12.65)
<i>Previous Year</i>	4.04%	94.42	6.18%	23.76

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Name of the entity in the group	Net Assets i.e. total assets minus total liabilities		Share in profit of loss	
	As % of Consolidated Assets	Amount	As % of Consolidated Profit or Loss	Amount
LMW Global FZE	1.07%	28.90	4.00%	14.93
<i>Previous Year</i>	0.57%	13.23	2.12%	8.12
Non controlling Interests in subsidiary	-	-	-	-
TOTAL	100%	2,703.64	100%	373.66
<i>Previous Year</i>	<i>100%</i>	<i>2,338.55</i>	<i>100%</i>	<i>384.02</i>

Name of the entity in the group	Share in Other Comprehensive Income		Share in Total comprehensive income	
	As % of Consolidated OCI	Amount	As % of Total Comprehensive Income	Amount
Parent Company				
Lakshmi Machine Works Limited	100%	96.15	99.51%	467.53
<i>Previous Year</i>	100%	7.29	91.85%	359.42
Subsidiary- Indian				
LMW Aerospace Industries Limited				
Current Year	-	-	-	-
<i>Previous Year</i>	-	-	-	-
Subsidiary- Foreign				
LMW Textile Machinery (Suzhou) Co. Ltd	-	-		
Current Year	-	-	(2.69%)	(12.65)
<i>Previous Year</i>	-	-	6.07%	23.76
LMW Global FZE				
Current Year	-	-	3.18%	14.93
<i>Previous Year</i>	-	-	2.08%	8.12
Non controlling Interests in subsidiary	-	-	-	-
TOTAL	100%	96.15	100%	469.81
<i>Previous Year</i>	<i>100%</i>	<i>7.29</i>	<i>100%</i>	<i>391.30</i>

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

30.2 Contingent Liabilities and Commitments, to the extent not provided for

Particulars	As at 31 st March 2024	As at 31 st March 2023
Contingent liabilities		
Claims against the company not acknowledged as debt		
Central Excise Demand	7.08	21.64
Other money for which the company is contingently liable		
Letter of Credit	52.15	38.97
Bank Guarantee	39.65	45.33

Disputed tax dues are appealed before concerned appellate authorities. The Group is advised that the cases are likely to be disposed off in favour of the Group and hence no provision is considered necessary therefor.

Particulars	As at 31 st March 2024	As at 31 st March 2023
Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for	30.63	9.29

30.3 Details of dividend proposed and paid:

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
a) Final dividend paid	105.23	42.73
b) In respect of the current year, the directors propose that a dividend of ₹75 per share be paid on equity shares on or before 14 th August 2024. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on 24 th July 2024. The total estimated equity dividend to be paid is ₹80.12 Crores.		

30.4 Disclosure as per Schedule III

As defined under Micro, Small and Medium Enterprises Development Act, 2006, the disclosure in respect of the amounts payable to such enterprises as at the end of the year has been made in the financial statements based on information received and available with the Company.

Particulars	As at 31 st March 2024	As at 31 st March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	54.03	8.37
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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at 31 st March 2024	As at 31 st March 2023
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

30.5 Financial Instruments

i) Financial instruments by category

Particulars	As at 31 st March 2024			As at 31 st March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Measured at amortised cost/FVTPL/ FVTOCI						
a) Cash and bank balances	-	-	118.41	-	-	157.44
b) Other financial assets -Non current	-	-	486.00	-	-	727.84
c) Trade receivables	-	-	129.65	-	-	232.57
d) Bank balances	-	-	836.34	-	-	603.94
e) Other financial assets -Current	-	-	78.50	-	-	41.20
f) Investments in equity	-	264.52	8.34	-	169.77	0.00
g) Investment in mutual funds	350.12	-	-	325.42	-	-
h) Investment in debentures [NCD]	-	-	10.01	-	-	13.16
i) Other Non current Investment	-	-	8.33	-	-	-
Total	350.12	264.52	1,675.58	325.42	169.77	1,776.15
Financial Liabilities						
a) Trade Payables	-	-	530.31	-	-	667.93
b) Other financial liabilities	-	-	173.28	-	-	170.21
Total	-	-	703.59	-	-	838.14
Financial Assets	-	-	2,290.22	-	-	2,271.34
Financial Liabilities	-	-	703.59	-	-	838.14

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

ii) Fair Value Hierarchy

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at 31st March 2024 and 31st March 2023 is as follows:

Particulars	Fair value measurement at end of the reporting period using			Fair value measurement at end of the reporting period using		
	As at 31 st March 2024			As at 31 st March 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Financial Investments at FVTOCI						
Quoted Equity Investments	264.52	-	-	169.77	-	-
Financial Investments at FVTPL						
Mutual funds	350.12	-	-	325.42	-	-
Total Financial Assets	614.64	-	-	495.19	-	-

iii) Fair Value of financial assets and liabilities measured at amortised cost

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

30.6 Exceptional Items

There are no exceptional items for the current and previous financial year.

30.7 Corporate Social Responsibility Expenditure

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Gross Amount required to be spent as per Sec. 135 of the Act	5.37	2.59
Amount spent during the year on:		
Construction / acquisition of an asset	-	-
On purposes other than above	5.48	2.60
Total	5.48	2.60
Amount spent through approved trusts and institutions	5.23	2.56
Amount spent directly	0.25	0.04
Total	5.48	2.60

CSR Expenditure during the year on construction/acquisition of an asset is ₹ Nil. CSR Expenses relating to gross amount required to be spent for the year and the actual amount spent by the company during the year is furnished as Annexure to the Board of Directors' Report.

30.8 Earnings Per Share

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Net Profit after Tax before OCI [₹ In Crores]	373.66	384.02
Weighted Average Number of Equity Shares used as denominator in calculating basic earnings per share	1,06,83,000	1,06,83,000
Nominal Value per Equity Share [in ₹]	10.00	10.00
Basic & Diluted Earnings Per Share [in ₹]	349.77	359.47

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

30.9 Related party transactions

Related Party Relationships (As identified by the Management)

Key Management Personnel

Sri. Sanjay Jayavarthanelu, Chairman and Managing Director

Sri. K. Soundhar Rajhan, Director Operations (until 31st July 2023)

Sri. Jaidev Jayavarthanelu, Whole time Director w e f: 7th August 2023

Sri. M. Sankar, Whole time Director (Designated as Director Operations) w e f: 25th October 2023

Sri. V.Senthil, Chief Financial Officer

Sri. C R Shivkumaran, Company Secretary

Non Executive Directors

Sri. Aditya Himatsingka, Non Executive - Independent Director

Dr. Mukund Govind Rajan, Non Executive - Independent Director

Justice (Smt) Chitra Venkataraman (Retd.), Non Executive - Independent Director (woman)

Sri. Arun Alagappan , Non Executive - Independent Director

Sri. S Pathy, Non Executive - Non - Independent Director

Sri. T C Suseel Kumar, Non Executive - Non - Independent Director (Nominee of LIC) (until 26th January 2024)

Sri. Jaidev Jayavarthanelu, Non Executive - Non - Independent Director (until 6th August 2023)

Sri. Aroon Raman, Non Executive - Independent Director

Post Employment benefit plans

Lakshmi Machine Works Limited Employees' Gratuity Fund

Other companies/firms in which directors or their relatives are interested

Alampara Hotels and Resorts Private Limited, Chakradhara Aerospace and Cargo Private Limited, Chakradhara Agro Farms Private Limited, Dhanajaya Agro Farms Private Limited, Dhanuprabha Agro Private Limited, Eshaan Enterprises Private Limited, Harshni Textiles Private Limited, Hermes Academy of Training Private Limited, Lakshmi Caipo Industries Limited, Lakshmi Card Clothing Mfg Co. Private Limited, Lakshmi Cargo Company Limited, Lakshmi Electrical Control Systems Limited, Lakshmi Electrical Drives Private Limited, Lakshmi Energy and Environment Designs Private Limited, Lakshmi Life Sciences Private Limited, Lakshmi Precision Technologies Limited, Lakshmi Ring Travellers (Coimbatore) Private Limited, LCC Cargo Holdings Private Limited, Lakshmi Technology and Engineering Industries Limited, Mahalakshmi Engineering Holdings Private Limited, Petrus Techonologies Private Limited, Quattro Engineering India Private Limited, Rajalakshmi Engineering, Revantha Agro Farms Private Limited, Revantha Services Private Limited, Shri Kara Engineering Private Limited, Sowbarnika Enterprises Private Limited, Sri Dwipa Properties Private Limited, Sri Kamakoti Kamakshi Enterprises Private Limited, Starline Travels Private Limited, Sudhasruthi Agro Private Limited, Super Sales India Limited, Supreme Dairy Products India Private Limited, The Lakshmi Mills Company Limited, Titan Paints & Chemicals Private Limited, Venkatavaradhaa Agencies Private Limited, Waterfield Financial and Investment Advisors Private Limited, CACPL Global Logistics, Imperium Global FZE, Lakshmi Global, Lakshmi Global FZE.

Key Management personnel compensation

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
Short term employee benefits	24.47	24.82
Post employment benefits	0.50	0.50
Total compensation	24.97	25.32

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Related Party Transactions

Particulars	Other Related Parties		Key Management Personnel	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
Purchase of goods	717.16	741.30	-	-
Sale of goods	81.64	64.43	-	-
Purchase of Fixed Assets	22.38	20.13	-	-
Sale of Fixed Assets	0.11	0.62	-	-
Rendering of Services	1.76	1.20	-	-
Receiving of Services	226.41	227.43	-	-
Contribution to Gratuity Fund	4.72	0.79	-	-
Agency arrangements	25.21	21.76	-	-
Managerial remuneration	-	-	24.97	25.32
Outstanding Payables	141.77	98.69	19.17	19.96
Outstanding Receivables	32.96	22.48	-	-

- Purchase of Goods includes Lakshmi Electrical Control Systems Limited ₹295.71 Crores (Previous Year ₹299.30 Crores); Lakshmi Electrical Drives Private Limited ₹83.51 Crores (Previous Year ₹93.60 Crores); Lakshmi Life Sciences Private Limited ₹124.66 Crores (Previous Year ₹139.94 Crores); Lakshmi Precision Technologies Limited ₹73.25 Crores (Previous Year ₹75.58 Crores); Lakshmi Global FZE ₹56.99 Crores (Previous Year ₹ Nil) & Other related parties-Associates ₹83.04 Crores (Previous Year ₹132.88 Crores)
- Sale of Goods includes Lakshmi Precision Technologies Limited ₹21.13 Crores (Previous Year ₹17.10 Crores); Super Sales India Limited ₹19.82 Crores (Previous Year ₹12.25 Crores); Lakshmi Electrical Control Systems Limited ₹14.77 Crores (Previous Year ₹16.07 Crores); Lakshmi Life Sciences Private Limited ₹13.51 Crores (Previous Year ₹7.60 Crores); The Lakshmi Mills Company Limited ₹10.60 Crores (Previous Year ₹8.75 Crores) & Other related parties-Associates ₹1.81 Crores (Previous Year ₹2.26 Crores)
- Purchase of Fixed Assets includes Revantha Services Private Limited ₹22.38 Crores (Previous Year ₹20.13 Crores)
- Sale of Fixed Assets includes Super Sales India Limited ₹0.11 Crores (Previous Year ₹0.10 Crores) & Other related parties - Associates ₹ Nil (Previous Year ₹ 0.52 Crores)
- Rendering of Services includes Super Sales India Limited ₹0.24 Crores (Previous Year ₹0.41 Crores); Chakradhara Aerospace and Cargo Private Limited ₹0.34 Crores (Previous Year ₹0.34 Crores); Lakshmi Life Sciences Private Limited ₹0.76 Crores (Previous Year ₹0.14 Crores); Petrus Technologies Private Limited ₹0.32 Crores (Previous Year ₹0.18 Crores) & Others - Other related parties-Associates ₹0.10 Crores (Previous Year ₹0.13 Crores)
- Receiving of Services includes Chakradhara Aerospace and Cargo Private Limited ₹110.39 Crores (Previous Year ₹153.77 Crores); Revantha Services Private Limited ₹46.39 Crores (Previous Year ₹26.54 Crores) & Other related parties-Associates ₹69.63 Crores (Previous Year ₹47.12 Crores)
- Contribution to gratuity fund includes Lakshmi Machine Works Limited Employees' Gratuity Fund ₹4.72 Crores (Previous Year ₹0.79 Crores)
- Agency arrangement includes Super Sales India Limited ₹25.21 Crores (Previous Year ₹21.76 Crores)
- Managerial Remuneration includes amount paid to Chairman and Managing Director, Sri Sanjay Jayavarthanavelu ₹21.75 Crores (Previous Year ₹22.53 Crores); Sri Jaidev Jayavarthanavelu, Wholetime Director w e f : 7th August 2023 ₹0.63 Crores (Previous Year ₹ Nil); Mr.M.Sankar, Director Operations w e f : 25th October 2023 ₹0.67 Crores (Previous Year ₹ Nil); Mr.K.Soundhar Rajhan, Director Operations (until 31st July 2023) ₹0.58 Crores (Previous Year ₹1.56 Crores); Mr.V.Senthil, Chief Financial Officer ₹0.83 Crores (Previous Year ₹0.75 Crores); Mr. C R Shivkumaran, Company Secretary ₹0.51 Crores (Previous year ₹0.48 Crores)
- Outstanding Payables include Lakshmi Electrical Control Systems Limited ₹51.25 Crores (Previous Year ₹33.60 Crores); Lakshmi Electrical Drives Private Limited ₹14.27 Crores (Previous Year ₹10.00 Crores); Super Sales India Limited ₹21.50 Crores (Previous Year ₹20.83 Crores); Lakshmi Life Sciences Private Limited ₹19.16 Crores (Previous Year ₹4.74 Crores); Sri.Sanjay Jayavarthanavelu ₹19.17 Crores (Previous Year ₹19.96 Crores) & Other related parties-Associates ₹35.59 Crores (Previous Year ₹29.51 Crores)
- Outstanding Receivables include Lakshmi Electrical Control Systems Limited ₹3.25 Crores (Previous Year ₹10.03 Crores); Chakradhara Aerospace and Cargo Private Limited ₹8.90 Crores (Previous Year ₹ Nil); Lakshmi Life Sciences Private Limited ₹7.19 Crores (Previous year ₹1.37 Crores); Petrus Technologies Private Limited ₹4.76 Crores (Previous year ₹0.07 Crores) ;Revantha Services Private Limited ₹3.30 Crores (Previous year ₹ Nil) & Other related parties - Associates ₹5.56 Crores (Previous Year ₹11.01 Crores)

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

30.10 Employee defined benefit and contribution plans

I. Defined Benefit Plans

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
A. Expense recognised in Income Statement				
1. Current Service cost	5.12	9.46	2.04	1.99
2. Interest expense on DBO	7.64	7.00	0.70	0.74
3. Interest (Income on plan asset)	(7.79)	(7.43)	(0.97)	(1.00)
4. Net Interest	(0.15)	(0.43)	(0.27)	(0.26)
5. Immediate recognition of (gain) / losses	-	-	0.79	0.76
6. Defined Benefits cost included in P & L	4.97	9.03	2.56	2.49
B. Expense recognised in Comprehensive Income				
1. Actuarial (gain)/losses due to Demographic assumption changes in DBO	-	-	-	-
2. Actuarial (gain)/losses due to financial assumption changes in DBO	2.06	(0.48)	0.39	(0.08)
3. Actuarial (gain)/losses due to experience on DBO	(3.97)	(2.35)	0.59	0.84
4. Return on plan assets (Greater) / Less than Discount rate	0.04	0.18	(0.19)	0.75
5. Total actuarial (gain) / loss included in OCI	(1.87)	(2.65)	0.79	1.51
6. Cost recognised in P & L	4.97	9.03	2.56	2.49
7. Remeasurement effect recognised in OCI	(1.87)	(2.65)	-	-
8. Total defined benefit cost	3.10	6.38	2.56	2.49
C. Net asset/Liability recognised in the Balance Sheet				
1. Present value of benefit obligation	108.62	104.64	11.83	11.32
2. Fair value of plan assets	109.90	104.30	14.65	13.49
3. Funded Status [Surplus / (deficit)]	1.28	(0.34)	2.82	2.17
4. Net Asset /(Liability) recognised in balance sheet	1.28	(0.34)	2.82	2.17
D. Change in Present value of the Obligation during the year				
1. Present value of the obligation at beginning of year	104.64	94.50	11.32	10.93
2. Current service cost	5.12	9.46	2.04	1.99
3. Interest cost	7.64	7.00	0.70	0.74
4. Benefits paid	(6.87)	(3.49)	(3.21)	(2.35)
5. Actuarial (gain)/ loss on obligation	(1.91)	(2.83)	0.98	0.01
6. Present value of obligation at end of the year	108.62	104.64	11.83	11.32

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

I. Defined Benefit Plans (Contd..)

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
E. Reconciliation of opening & closing values of Plan Assets				
1. Fair value of plan assets at the beginning of the year	104.30	99.75	13.49	13.24
2. Expected return on plan assets	7.79	7.43	0.97	1.00
3. Contributions made	4.72	0.79	-	-
4. Benefits paid	(6.87)	(3.49)	-	-
5. Actuarial gain / (loss) on plan assets	(0.04)	(0.18)	0.19	(0.75)
6. Fair value of plan assets at the end of the year	109.90	104.30	14.65	13.49
7. Actual return on plan assets	7.75	7.25	1.16	0.25
F. Amounts recognised in Other comprehensive Income				
1. Opening unrecognised losses / (Gains)	14.37	17.02	-	-
2. Actuarial Loss / (Gains) on DBO	(1.91)	(2.83)	0.98	0.76
3. Actuarial Loss / (Gains) on assets	0.04	0.18	(0.19)	0.75
4. Amortisation Actuarial loss / (Gain)	-	-	0.79	1.51
5. Total recognised in Other comprehensive income	12.50	14.37	-	-
G. Major categories of plan assets as a percentage of total plan				
1. Qualifying insurance policies	109.90	104.30	14.65	13.49
2. Own plan assets-Bank balances	0.48	0.78	-	-
Total	110.38	105.08	14.65	13.49
H. Actuarial Assumptions				
1. Discount rate	7.25%	7.55%	7.25%	7.55%
2. Salary escalation	8.50%	8.50%	8.50%	8.50%
3. Attrition rate	7.00%	7.00%	7.00%	7.00%
4. Expected rate of return on plan assets	7.25%	7.47%	7.25%	7.47%
5. Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate			

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

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.

The company expects to make a contribution of ₹3 Crores (as at 31st March 2024: ₹4.72 Crores) to the defined benefit plans during the next financial year.

I. Sensitivity Analysis

	Gratuity (Funded)		Leave Encashment (Funded)	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
Impact of +1% change in rate of discounting	(6.17)	(603.32)	(1.09)	(102.04)
Impact of -1% change in rate of discounting	6.86	670.37	1.30	121.45
Impact of +1% change in rate of salary increase	6.76	662.25	1.24	116.27
Impact of -1% change in rate of salary increase	(6.19)	(606.86)	(1.06)	(99.58)
Impact of +1% change in rate of attrition	(0.86)	(75.09)	(0.20)	(16.42)
Impact of -1% change in rate of attrition	0.94	82.37	0.21	17.26

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

J. Brief description of the plans & risks

These plans typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, other debt instruments and equity shares of listed companies.

Interest Rate risk

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments, if any.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

II. Defined Contribution Schemes

	31 st March 2024	31 st March 2023
Provident Fund Contribution	14.67	13.90

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

30.11 Segment information

Products and services from which reportable segments derive their revenues.

Information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided. The group has chosen to organise the group around differences in products and services. No operating segments have been aggregated in arriving at the reportable segments of the group.

Operating Segments	Textile Machinery Division		Machine Tool & Foundry Division		Advanced Technology Centre		Total	
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023
Revenue from external customers	3,539.26	3,669.33	937.07	874.89	142.14	94.81	4,618.47	4,639.03
Inter Segment Revenue	66.23	64.63	97.11	97.31	-	-	163.34	161.94
Allocable other income	70.10	91.26	15.59	13.44	18.05	15.94	103.74	120.64
Total Segment Revenue	3,675.59	3,825.22	1,049.77	985.64	160.19	110.75	4,885.55	4,921.61
Less : Inter Segment Revenue							163.34	161.93
Add : Unallocable other Income							117.17	107.30
Enterprise revenue							4,839.38	4,866.98
Result								
Segment Result	315.92	377.92	74.42	61.19	14.03	3.33	404.37	442.44
Operating Profit							404.37	442.44
Add : Unallocable Other income net of unallocable expenses							77.79	76.78
Less: Interest Expenses							-	-
Income tax expenses (Current)							109.45	110.00
Income tax expenses (Deferred)							(0.95)	25.20
Net Profit after Tax							373.66	384.02
Other Information								
Segment assets	2,044.48	2,424.21	1,207.45	1,072.28	103.89	59.61	3,355.82	3,556.10
Add : Unallocable corporate assets							675.60	533.95
Enterprise Assets							4,031.42	4,090.05
Segment Liabilities	1,007.59	1,450.38	252.73	235.41	19.02	16.40	1,279.34	1,702.19
Add : Unallocable corporate liabilities							2,752.08	2,387.86
Enterprise Liabilities							4,031.42	4,090.05
Capital Expenditure	100.67	182.16	45.75	49.96	19.86	29.50	166.28	261.63
Depreciation	78.99	63.59	6.19	5.59	11.16	8.56	96.34	77.74

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Notes :

- 1) The accounting policies of the reportable segments are the same as the group's accounting policies. Inter Segment transfers are accounted on cost plus basis vis-a-vis at competitive market price charged to unaffiliated customers for similar goods.
- 2) Segment profit represents the profit before tax earned by each segment without allocation of unallocable expenses, finance costs and unallocable income. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance.
- 3) Segment Revenue, Segment Results, Segment Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Segment Assets and Liabilities

Operating Segment	Segment Assets		Segment Liabilities	
	As at 31 st March 2024	As at 31 st March 2023	As at 31 st March 2024	As at 31 st March 2023
Textile Machinery Division	2,044.48	2,424.21	1,007.59	1,450.38
Machine Tool & Foundry Division	1,207.45	1,072.28	252.73	235.41
Advanced Technology Centre	103.89	59.61	19.02	16.40
Total Segment Assets & Segment Liabilities	3,355.82	3,556.10	1,279.34	1,702.19
Adjustments of unallocated Assets and Liabilities				
Share capital	-	-	10.68	10.68
Reserves and Surplus	-	-	2,692.96	2,327.87
Investments	641.32	508.35	-	-
Advance tax	34.28	25.60	-	-
Deferred tax	-	-	47.48	48.43
Unpaid Dividends	-	-	0.96	0.88
Total Assets & Liabilities as per Balance sheet	4,031.42	4,090.05	4,031.42	4,090.05

Geographical information

The group operates in two principal geographical area, India (country of domicile) and outside India.

The group's revenue from external customers based on location of customers is as per the table below:

Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group identifies the product lines, amongst others to indicate the factors. The details of revenue from contracts with customers on the basis of various product lines are as under:

Particulars	Year Ended 31 st March 2024		
	India	Outside India	Total
Textile Machinery and Spares	2,876.50	662.76	3,539.26
Machine Tools and Castings	914.94	22.13	937.07
Aerospace Parts and component	9.89	132.25	142.14
Gross Sale of Products	3,801.33	817.14	4,618.47

Particulars	Year Ended 31 st March 2023		
	India	Outside India	Total
Textile Machinery and Spares	2,627.51	1,041.81	3,669.32
Machine Tools and Castings	846.11	28.79	874.90
Aerospace Parts and component	7.73	87.08	94.81
Gross Sale of Products	3,481.35	1,157.68	4,639.03

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

30.12 Approval of Consolidated Financial Statements

The Consolidated Financial Statements were reviewed and recommended by the Audit Committee and has been approved by the Board of Directors at their meeting held on 27th May 2024.

30.13 Details of Leasing Arrangements

Particulars	For the year ended 31 st March 2024	For the year ended 31 st March 2023
As Lessor		
Operating lease		
The group has entered into operating lease arrangements for certain surplus facilities. The lease is non-cancellable for a period from 3 to 5 years and may be renewed for a further period based on mutual agreement of the parties.		
Future minimum lease receipts		
Not later than one year	0.42	0.42
Later than one year and not later than five years	1.68	1.68
More than 5 years	1.68	1.68

30.14 Financial Risk Management Objectives

The group's activity exposes itself to variety of financial risks which includes market risk, credit risk, liquidity risk, interest rate risk and price risk. The group monitors and manages the above financial risks relating to the operations of the group through internal risk reports which analyses exposures by degree and magnitude of risks. The primary focus is to identify risks and take steps for mitigation of risk or to minimise the potential adverse effects on the financial performance of the group. The group does not enter into any derivative financial instruments to hedge risk exposures.

Foreign Currency Risk

The group undertakes transactions denominated in foreign currencies and consequently has exposure to exchange rate fluctuations. The group operates internationally and a major portion of the international sales transaction are in USD and balance in EUR, purchases from overseas suppliers are in various foreign currencies. The exposure at the end of the reporting period does not reflect the transaction during the year and there is a natural hedge in the currency for USD and EUR. The exchange rate between INR and other currency does have an impact on the business. The group is a net exporter and export realisation combined with a depreciating INR has given the group a net foreign exchange gain.

These exchange rate exposures are not hedged by the group. The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars		Amount in foreign currency		Equivalent INR	
		As at 31 st March 2024	As at 31 st March 2023	As at 31 st March 2024	As at 31 st March 2023
Sundry creditors	AED	79,330	25,73,268	0.18	5.73
	CHF	1,87,077	2,32,489	1.73	2.09
	CNY	6,84,374	16,71,422	0.79	2.00
	EUR	23,86,497	19,08,092	21.50	17.03
	GBP	62,199	35,498	0.65	0.36
	JPY	25,04,58,661	21,79,34,005	13.80	13.48
	SEK	85,000	85,000	0.07	0.07
	SGD	4,273	6,102	0.03	0.04

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Particulars		Amount in foreign currency		Equivalent INR	
		As at 31 st March 2024	As at 31 st March 2023	As at 31 st March 2024	As at 31 st March 2023
	USD	38,27,020	59,01,568	31.90	48.46
Sundry Debtors	CNY	8,05,655	7,45,676	0.93	0.89
	EUR	6,83,794	8,97,408	6.17	7.71
	GBP	19,819	22,799	0.21	0.23
	USD	1,69,57,651	4,29,82,286	141.38	349.07
Cash and Bank Balances	AED	1,57,968	3,24,755	0.36	0.72
	BDT	27,33,998	13,44,867	0.21	0.10
	CNY	4,93,789	14,14,690	0.57	1.69
	EUR	62,262	63,722	0.56	0.57
	KES	62,523	-	0.00	-
	TRY	10,79,106	81,229	0.28	0.03
	USD	61,26,199	78,90,553	51.06	64.85
	VND	3,04,74,076	4,83,70,838	0.01	0.02

The Group mainly exposed to USD and EUR.

Foreign currency sensitivity analysis

The sensitivity analysis for equity price risk is conducted by assuming a range of equity price changes, which involves a 5% increase or decrease in equity prices. Additionally, we take into account other relevant factors such as changes in equity prices for different equity markets and individual equity securities, correlations between these markets and securities, and the holding period

Particulars	As at 31 st March 2024	As at 31 st March 2023
Sundry creditors		
USD	31.90	48.46
Euro	21.50	17.03
Sundry Debtors		
USD	141.38	349.07
Euro	6.17	7.71
Net receivable		
USD	109.48	300.61
Euro	(15.33)	(9.32)
Total	94.15	291.29
Impact on profit : 5 % increase in currency rate	4.71	14.56
Impact on profit : 5 % decrease in currency rate	(4.71)	(14.56)

Interest rate risk – The Group holds interest bearing assets in the form of fixed deposits with banks. The variation in interest risks is managed by distributing deposits among wide base of banks and financial institutions.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

Interest rate sensitivity analysis

The entity prepares sensitivity analysis for interest rate risk associated with fixed deposits by assuming various magnitudes of interest rate changes, which includes a 0.25% increase or decrease in interest rates.

Particulars	As at 31 st March 2024	As at 31 st March 2023
Fixed deposits in Banks	1,291.86	1,318.21
Impact on profit : increase of 25 basis points	3.23	3.30
Impact on profit : decrease of 25 basis points	(3.23)	(3.30)

Price risk – Holding marketable financial assets expose the group to risk of price fluctuation. Price escalations will have insignificant impact on carrying amounts of respective financial assets. However, the group is exposed to equity price risks from equity investments. Certain of the group's equity investments are held for strategic rather than trading purposes.

Price sensitivity analysis

The sensitivity analysis for equity price risk is conducted by assuming a range of equity price changes, which involves a 5% increase or decrease in equity prices. Additionally, we take into account other relevant factors such as changes in equity prices for different equity markets and individual equity securities, correlations between these markets and securities, and the holding period.

Particulars	As at 31 st March 2024	As at 31 st March 2023
Fair value of Equity investments	264.52	169.77
Impact on Other Comprehensive Income :increase by 5%	13.23	8.49
Impact on Other Comprehensive Income :Decrease by 5%	(13.23)	(8.49)

Credit risk – Credit risk arises from the risk of default on its obligation by the counterparty resulting in financial loss, such as cash and cash equivalents, and outstanding receivables.

Credit risk on cash and cash equivalents is considered negligible as the group generally invests in fixed deposits with reputable banks. They are not impaired or past due for each of the reporting dates.

Credit risk on outstanding receivables is the exposure to billed receivable and are normally unsecured and derived from revenue earned from customer mostly from India. Credit risk is managed by the group through credit approvals and continuously monitoring the credit worthiness of the customer to which the group grants credit in the normal course of business. The group applied simplified approach of estimated credit loss for trade receivable, which provide for expected credit loss based on life-time expected losses. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The group does not have any significant credit risk exposure to any single counterparty.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Liquidity risk – Liquidity risk refers to the risk that the group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The group's principal source of liquidity is from cash and cash equivalent and the cash flow from operations. The group does not have any external borrowings from banks or any other financial institution. The group believes that the working capital through internal accruals is sufficient to meet its current requirements and hence the group does not perceive any such risk.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts in ₹ Crores, unless otherwise stated)

30.15 Revenue Recognition

The Group derives revenue primarily from the sale of Textile Machinery, Machine Tools, Accessories and parts, Castings and Aero space Components.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customer for sale of above-mentioned products or services are on fixed price. Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration entity expects to be entitled in exchange for those goods or services.

Revenue on fixed price contract are recognised at the time of dispatch of goods. Till then the consideration received is accounted as 'Advance received' shown under financial liabilities. Control over the goods passed to the customer at the time of dispatch of the goods at the Group's factory.

The expected cost of warranty issued is accounted as provision. The contract with customer are entered between the Group and the end customer. The Group is primarily responsible for honouring the contract entered with customer. Since the Group acts as a "Principal" for the contracts entered into through selling agent the revenue is to be recognised in gross by the Group.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Revenue from operations for the year ended March 31 2024 and March 31 2023 is as follows:

Particulars	Year Ended 31 st March 2024	Year Ended 31 st March 2023
(i) Revenue from sale of products	4,618.47	4,639.03
(ii) Revenue from rendering of services	77.39	80.12
Total revenue from operations	4,695.86	4,719.15

30.16 The Exchange rate adopted for conversion of subsidiary accounts is as follows :

The Exchange Rate as at 31st March 2024 : 1 CNY = 11.54 INR (Previous Year 11.95 INR)

: 1 AED = 22.69 INR (Previous Year 22.28 INR)

Average exchange rate : 2023-24 : 1 CNY = 11.56 INR (Previous Year 11.71 INR)

: 1 AED = 22.69 INR (Previous Year 22.28 INR)

30.17 Depreciation / amortisation includes ₹0.14 crores (Previous Year ₹0.14 crores) towards amortisation of leasehold land as per audited accounts of LMW Textile Machinery (Suzhou) Co. Ltd., China.

30.18 Additional regulatory information required by Schedule III

i) Details of benami property held

No proceedings have been initiated on or pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Wilful Defaulter

The Group had not been declared a wilful defaulter by any bank or Financial Institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines of the wilful defaulter issued by the Reserve Bank of India.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

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iii) Relationship with struckoff companies

Name of Struck off Company	Nature of transactions	Transactions during the year ended 31 st March 2024	Balance outstanding at the end of the year as at 31 st March 2024	Relationship with the Struck off company, if any, to be disclosed
Achuk Consultants Engineers Pvt Ltd	Sale of Textile Machinery & Spares	0.00	0.00	Customer

iv) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

v) Compliance with approved scheme(s) of arrangements

No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

vi) Utilisation of borrowed funds

The Group does not have borrowed funds.

vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

viii) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

ix) Valuation of Property, Plant & Equipment, intangible asset and investment property

The Group has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

30.19 Previous years' figures have been restated to comply with IND AS to make them comparable with the current period. Further, previous years' figures have been regrouped / reclassified, wherever necessary, to conform with the current period presentation.

In terms of our report attached
For **S. Krishnamoorthy & Co**
Firm Registration No. 0014965
Chartered Accountants

B. Krishnamoorthi
Partner
Membership No. 020439

Place : Coimbatore
Date : 27th May 2024

For and on behalf of the Board of Directors

Sanjay Jayavarthanavelu
Chairman and Managing Director
DIN: 00004505

V. Senthil
Chief Financial Officer

Jaidev Jayavarthanavelu
Wholetime Director
DIN: 07654117

C R Shivkumaran
Company Secretary

CORPORATE INFORMATION**Based on Standalone Financials**

₹ in Crores

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Profit and Loss Account										
Sales (excluding excise duty)	2,312.58	2,474.48	2,136.86	2,426.61	2,546.20	1,508.64	1,638.89	3,016.76	4,456.69	4,520.17
Other Income	178.58	159.88	166.98	178.68	195.78	155.09	129.97	135.84	232.57	218.77
Profit before tax	297.49	328.19	266.31	303.15	323.67	64.41	74.20	236.95	485.41	479.88
Profit after tax	207.45	220.12	190.60	211.42	189.28	45.00	47.46	179.68	350.22	371.38
Balance Sheet										
Fixed Assets	377.21	408.46	465.59	536.16	659.71	694.02	669.18	686.59	885.62	939.56
Investments	128.83	152.76	126.24	147.98	138.46	112.50	200.18	255.29	255.69	355.63
Net Current Assets	754.43	937.09	946.60	1,037.51	892.19	864.65	935.09	1,066.58	1,207.11	1,414.58
Total Assets	1,260.47	1,498.31	1,538.43	1,721.65	1,690.36	1,671.17	1,804.45	2,008.46	2,348.42	2,709.77
Share Capital	11.27	11.27	10.96	10.96	10.68	10.68	10.68	10.68	10.68	10.68
Reserves and Surplus	1,249.20	1,487.04	1,527.47	1,710.69	1,679.68	1,645.63	1,769.58	1,974.54	2,289.31	2,651.61
Deferred Tax Liability	-	-	-	-	-	14.86	24.19	23.24	48.43	47.48
Total Liabilities	1,260.47	1,498.31	1,538.43	1,721.65	1,690.36	1,671.17	1,804.45	2,008.46	2,348.42	2,709.77
RATIOS										
Measures of Investment										
Dividend per share (₹)									98.50	75.00
EPS (₹)									327.82	347.64
Return on Equity (%)									15.23	13.95
Dividend Cover (Times)									3.33	4.64
Measures of Performance										
Net Profit Margin (%)									7.86	8.22
Assets Turnover (Times)									5.03	4.81

ANNEXURE TO ITEM NO 10 OF THE NOTICE TO SHAREHOLDERS



R. Jeyachandran FCA ACS
M. Prabhakar FCA
Partners

To
The Board of Directors,
Lakshmi Machine Works Limited,
(CIN: L29269TZ1962PLC000463)
SRK Vidyalaya Post, Periyanaickenpalayam,
Coimbatore - 641 020, Tamil Nadu

Dear Sirs,

**Sub: Certificate under Regulation 45(1) of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

This Certificate is issued in connection with the proposed change of name of **Lakshmi Machine Works Limited** (hereinafter referred to as 'the Company') to "**LMW Limited**" for submission to the shareholders of the Company as well as BSE Limited ("BSE"), the National Stock Exchange of India Limited ("NSE"), Registrar of Companies, Ministry of Corporate Affairs ("MCA") and such other regulatory authorities regarding compliance with the provisions of Regulation 45(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management's Responsibility:

The Management of the Company is responsible for ensuring that the Company complies with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provides all relevant information.

Auditor's Responsibility:

1. Our responsibility, for this certificate, is to obtain reasonable assurance that (a) a period of at least one year has elapsed from the last name change and (b) more than fifty percent of the total revenue in the preceding one-year period has been accounted for by the new activity suggested by the new name or (c) the amount invested in the new activity/project is at least fifty percent of the assets of the listed entity.
2. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note



requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

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

Opinion:

Based on our examination of the necessary documents, records and available information as on the date of the certificate and according to the information and explanations provided to us by the management of the Company, we certify that:

- a) The company was incorporated on 14th September 1962 under the name and style "Lakshmi Machine Works Limited" and **there has been no change in the name of the Company since incorporation**. In view of the same, complying with the condition of a time period of at least one year being elapsed from the last name change does not arise.
- b) The Company has proposed to change its name to "LMW Limited" which is the abbreviation of its current name "Lakshmi Machine Works Limited". **The new name does not connote any new activity to be carried out by the Company**. Accordingly, the condition requiring at least fifty percent of the total revenue in the preceding one-year period to be accounted for by the new activity suggested by the new name does not arise.
- c) Since the **new name does not suggest any new activity/project**, the condition of investment of at least fifty percent of the assets of the Company in the new activity/project does not arise.

Restriction on use:

This certificate is provided solely to enable compliance with the requirements of the Regulation 45(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for submission to the shareholders of the Company as well as BSE, NSE, MCA and other regulatory authorities and should not be used by any other



person or for any other purpose, other than during the regulatory process for change of name of the Company.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or whose hands it may come without our prior consent in writing.

Place: Coimbatore
Date: 27th May 2024

For RJC Associates
Chartered Accountants
ICAI Firm Registration No.003496S



R. Jeyachandran

R Jeyachandran
Partner
Membership No. 021848
UDIN: 24021848BKBUKD8772



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