

Sl No.	Risk	Risk Category	Risk Mitigation Strategy	Risk Mitigation Measures
9	Non availability of essential raw materials	Commercial Risk	Reduce – Institute plans/controls	The Company has a comprehensive global sourcing policy. Critical inputs scenario is continuously monitored and suitable remedial measures are taken immediately.
10	Failure to recover sales proceeds could impact daily operations	Finance Risk	Avoid – Not allowing the event to happen	The Company maintains a policy of taking advance against orders. Also a strict policy of product delivery only against full payment of contracted value is thoroughly followed other than sale of castings where credit is closely monitored.
11	Lack of adequate low cost funds to meet capex requirements could hamper business growth	Finance Risk	Reduce – Institute plans/controls	The Company has a zero debt status and has utilised internal accruals to fund the capex plans for capacity expansion/replacement. Also the liquid funds at the disposal of the Company are judiciously used and conserved for earning non-operating revenue.
12	Foreign Exchange Fluctuation	Finance Risk	Reduce – Institute plans/controls	The Company continuously monitors foreign exchange exposure and takes adequate steps to mitigate the same through hedge, forward cover etc.
13	Human Talent Readiness/ Attrition	HR Risk	Accept – Monitor and address	The Company continuously trains its HR assets to ensure the prevalence of contemporary work knowledge and work culture within the organisation. Also, your Company has a proper HR Forecasting, Planning and Deployment mechanism to ensure non-stop availability of qualified manpower across the organisation.
14	Occupational Health & Safety	HR Risk	Avoid – Not allowing the event to happen	The Company strives to provide a healthy and risk-free work environment to all its employees. Suitable measures in association with experts are being taken across the organisation to minimise the risk to health and safety. In this regard, Company is OHSAS 18001 standards compliant.
15	Compliance with all regulatory requirements	Legal/ Secretarial Risk	Avoid – Not allowing the event to happen	The Company operates a comprehensive process complete with check lists to ensure that various legal and statutory requirements are complied with. The Legal/Secretarial division of the Company serves as the Compliance Monitoring and Enforcement Wing. Also, suitable committees as required by law have also been constituted to ensure complete compliance.
16	Natural Events	Environment Risk	Share – Partner to reduce risk	The Company's assets are thoroughly protected from all conceivable risks arising from natural events through Insurance. The Company continuously renews policies and monitors to include any new clauses to its existing Insurance Policies that have the potential to cover any new risk/threat perception.
17	Recognition and safeguard of Intellectual Property.	Management Risk	Accept – Monitor and address	The Company has an active policy of encouraging innovation and talent within the Company. To recognise talent and to register the same the Company has formed the Intellectual Properties Department. Company's Intellectual Property Policy seeks to build an active portfolio of Intellectual Property Assets.
18	Reputation Risks	Management Risk	Avoid – Not allowing the event to happen	Adherence to rigorous Quality Norms, Process and System Compliance, internal Code of Conduct and Corporate Governance parameters has enabled the Company to be recognised as a value based and ethical organisation. Suitable internal controls are in place across the organisation to ensure continuous adherence for the same.

ANNEXURE 5

Annual Report on Corporate Social Responsibility (CSR) Activities

- The Company has adopted the CSR policy approved by the Board of Directors at their meeting on 12/06/2014. The CSR Policy of the Company is placed on the website www.lakshmach.com.
- Composition of the CSR Committee:
The CSR Committee of the Company consists of the following members:
Sri Sanjay Jayavarthanelu Chairman
Sri Basavaraju Member
Sri R. Rajendran Member
- Average net profit of the Company for the last three financial years is ₹21,264 Lakhs.
- The prescribed CSR expenditure for the Company taken at 2% of the average net profit for the last three financial years is ₹425.28 Lakhs.
- Details of CSR spend for the financial year:
(a) Total amount spent for the financial year: ₹430.71 Lakhs
(b) Amount unspent if any: Nil
- Report on CSR Expenditure for the period from 01.04. 2014 to 31.03.2015

Sl No.	CSR Project/Activity	Sector in which the Project/ Activity was covered	Location of the Projects / Programmes undertaken (District and State)	Amount outlay (Budget) per project or per programme	Amount spent on the Project or Programme	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
				(Amt in ₹)	01.04.2014 to 31.03.2015 (Amt in ₹)	01.04.2014 to 31.03.2015 (Amt in ₹)	
1	Sponsorship of women sports person (Rifle shooting)	Clause vii of Schedule VII	All over India	14,98,603	14,98,603	14,98,603	Direct
2	Ramakrishna Mission-Biogas plant	Clause iv of Schedule VII	Perianaickenpalayam Coimbatore district, Tamil Nadu	7,20,000	7,20,000	7,20,000	Ramakrishna Mission
3	Eye camp expenses	Clause i of Schedule VII	Perianaickenpalayam Coimbatore district, Tamil Nadu	5,20,610	5,20,610	5,20,610	Direct
4	District Collector Self Sufficiency Scheme Account, Coimbatore	Clause vii of Schedule VII	Perianaickenpalayam Coimbatore district, Tamil Nadu	22,66,670	22,66,670	22,66,670	Coimbatore District Collector
5	Restoration of Buildings & Sites of Historical Importance - Srirangam Temple Renovation	Clause v of Schedule VII	Tiruchirappalli district, Tamil Nadu	30,65,271	30,65,271	30,65,271	Direct
6	Through GKD Trust - Project for proposed class room buildings for TAT Kalanilayam Middle School - run by Ramakrishna Mission	Clause ii of Schedule VII	Coimbatore, Tamil Nadu	3,50,00,000	3,50,00,000	3,50,00,000	Through Registered Trust
	Total amount spent during 01.04.2014 to 31.03.2015				4,30,71,154	4,30,71,154	

Place: Coimbatore
Date: 20th May, 2015

Sanjay Jayavarthanelu
Chairman and Managing Director
Chairman -CSR Committee