



PUBLIC ANNOUNCEMENT

LAKSHMI MACHINE WORKS LIMITED

Registered Office: Perianaickenpalayam, Coimbatore - 641 020

FOR THE ATTENTION OF THE SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY

This Public Announcement is issued in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended

1. THE BUYBACK
- 1.1 Lakshmi Machine Works Limited ("Company") hereby announces the buy back of 11,08,606 fully paid-up equity shares ("Buyback Shares") of the face value Rs. 10 each ("Shares") from the existing owners of Shares of the Company through a tender offer route, in accordance with Section 77A, 77AA, 77B of the Companies Act, 1956 ("Act") and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended ("Regulations") at a price of Rs. 2045/- per Share ("Buyback Price") payable in cash, for an aggregate amount of Rs. 22671 lakhs ("Buyback Size") (referred to as "Buyback"/ "Offer"). The Buyback Size represents 25% of the aggregate of the Company's paid-up equity share capital and eligible free reserves as on March 31, 2010, being the date of the last audited balance sheet of the Company prior to the special resolution passed by shareholder of the Company by postal ballot on October 22, 2010 approving the Buyback.
- 1.2 A copy of this Public Announcement shall be available on the Securities and Exchange Board of India ("SEBI") website www.sebi.gov.in during the period of the Buyback.

2. PROPOSED TIME TABLE

The proposed timetable for the Buyback is given below.

Activity	Day and Date
Board Meeting approving the Buyback	Wednesday, July 28, 2010
Special Resolution of Shareholders approving the Buyback	Friday, October 22, 2010
Public Announcement of Buyback	Monday, December 27, 2010
Specified Date	Monday, January 24, 2011
Buyback Opens on / Date of opening of Buyback	Wednesday, February 9, 2011
Buyback Closes on / Date of closure of Buyback	Thursday, February 24, 2011
Last date of verification	Thursday, March 10, 2011
Last date intimation regarding acceptance/non-acceptance and of dispatch of consideration/share certificates/demat instruction	Thursday, March 17, 2011
Last date of extinguishment of shares	Thursday, March 24, 2011

3. SPECIFIED DATE

The Specified Date for this Buyback shall be January 24, 2011. The Letter of Offer ("LOF") and Form of Acceptance-cum Acknowledgement ("Form") will be mailed to the shareholders of the Company whose names appear on the register of members of the Company who are beneficial owners of the Shares as per the records made available to the Company by the National Securities Depository Limited ("NSDL") Central Depository Services (India) Limited ("CDSL") as on the Specified Date. Shareholders who have obtained delivery after the Specified Date may submit their responses by Registered Post/Hand Delivery/Courier complete in all respects as provided in this Public Announcement.

4. AUTHORITY FOR THE BUY BACK

Pursuant to Section 77A, 77AA and 77B and other applicable provisions of the Act, the Regulations and in terms of Article 7(a) of the Articles of Association of the Company, the Buyback through a tender offer route has been duly authorised by:

- Resolutions passed by the Board of Directors of the Company at their meeting held on July 28 2010, including constituting a committee ("Buy Back Committee") for this purpose to buyback equity shares of the Company and August 27, 2010 subject to passing of Special Resolution by the shareholders of the Company.
- A Special Resolution was passed by shareholders of the Company in terms of provisions of Section 192A of the Companies Act, 1956, read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The notice dated September 10, 2010, along with explanatory statement for special resolution in respect of Buyback of equity shares as per Schedule I of the Regulations was sent to all the members of the Company. The results of the postal ballot were announced on October 22, 2010.

- Resolution passed by the Buy Back Committee on September 10, 2010 approving the tender offer route as the mode of the Buyback.
5. EXTRACT OF EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF POSTAL BALLOT DATED SEPTEMBER 10, 2010 THROUGH WHICH THE SPECIAL RESOLUTION APPROVING THE BUYBACK WAS PASSED AND DETAILS OF THE RESOLUTIONS PASSED BY A COMMITTEE OF THE BOARD OF DIRECTORS ON SEPTEMBER 10, 2010

As per the requirements of Section 173(2) read with Section 77A and other applicable provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, the Explanatory Statement contains relevant material information to enable the shareholders to consider and approve the Special Resolution on buyback of Company's shares.

1. The Company intends to buy back equity shares each of face value of Rs. 10/- at a price not exceeding Rs.2045/-Per equity share ("maximum buyback price") with the total aggregate amount to be expended not to exceed Rs.226.71 crores which is within 25% of the Company's fully paid up equity share capital and free reserves as per latest audited Balance Sheet as on 31st March, 2010.
2. The Board of Directors of the Company at its meeting held on 28th July, 2010 and by the circular resolution Dated 27.08.2010 approved, subject to the consent of the Members of the Company, the proposal for buyback of Company's shares in accordance with Article 7 (a) of the Articles of Association of the Company, subject to the provisions of Sections 77A, 77AA, 77B and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "the Act") and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (hereinafter referred to as "Buyback Regulations").
3. The buyback is proposed to be implemented by the Company by any one of the methods of buy back prescribed by the Companies Act and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as may be decided by the Buy Back Committee of Board of Directors of the Company.
4. There will be no buyback from any persons through negotiated deals whether through the Stock Exchanges or through spot transactions or through any private arrangement.
5. The buyback is proposed on account of the Company's strong cash flow delivery and the accumulated cash being more than what is needed to fund growth. The buyback is expected to :
 - Reduce outstanding number of shares and consequently increase Earnings Per Share over a period of time and enhance long term value creation;
 - Effectively utilize surplus cash; and
 - Make the Balance Sheet leaner and more efficient to improve key ratios like Return on Network , Return on Assets etc.
6. The aggregate paid up share capital and free reserves of the Company as on 31st March, 2010 is Rs. 906.86 crores and under the provisions of the Act, the funds deployed for buyback shall not exceed 25% of the paid up capital and free reserves of the Company. Accordingly, the maximum amount that can be utilized in the present buyback is Rs. 226.71 crores. The total aggregate amount proposed to be expended for the buyback is Rs. 226.71 crores, which is within the maximum amount as aforesaid. Further, under the Act, the number of equity shares that can be bought back during the financial year shall not exceed 25% of the paid up equity shares of the Company. Accordingly, the maximum number of equity shares that can be bought back cannot exceed 11,08,606 Equity shares being less than 25% of 1,23,69,250 equity shares each of face value of Rs.10/- as per the audited Balance Sheet as on 31st March, 2010.
7. The maximum buyback price of Rs.2045/-has been arrived at taking into account the trends in the market price of the equity shares of the Company during the last two weeks prior to the date of Board Meeting. The average closing market price of the equity shares in last two weeks on the Bombay Stock Exchange Limited was Rs. 2043.61 and on the National Stock Exchange of India Limited was Rs.2017.87.

Monthly high, low and average prices for the six months preceding the date of the Board Meeting held on 28th July, 2010 to approve the buyback and their corresponding volumes on the Stock Exchanges are as follows :

Month	High Price (Rs.)	Date & No. of shares traded on the day of high price	Low Price (Rs.)	Date & No. of shares traded on the day of low price	Average closing (Rs.)	Volume (Number of shares traded)
Feb'10	2018	02.02.10 : 6042	1715	25.02.10 :2491	1846.45	74737
Mar'10	1957	08.03.10 : 12608	1738	02.03.10 :6772	1833.96	138600
Apr'10	2102	28.04.10 : 13857	1836	05.04.10 :2014	1997.20	230595
May'10	2070	03.05.10 : 11866	1753	25.05.10 : 11295	1906.35	85446
Jun'10	2120	29.06.10 : 7409	1755	09.06.10 : 1155	1886.15	210569
Up to 27th July'10	2087	01.07.10 : 2453	1982	23.07.10 : 4814	2036.91	210210

Bombay Stock Exchange Limited (BSE)
Source: BSE website: www.bseindia.com
National Stock Exchange of India Limited (NSE)

Month	High Price (Rs.)	Date & No. of shares traded on the day of high price	Low Price (Rs.)	Date & No. of shares traded on the day of low price	Average closing (Rs.)	Volume (Number of shares traded)
Feb'10	2020	02.02.10 : 13513	1720	25.02.10 : 3157	1846.63	115756
Mar'10	1960	08.03.10 : 21813	1751	04.03.10 : 3518	1835.80	143706
Apr'10	2125	12.04.10 : 25656	1801	06.04.10 : 7657	1997.21	295775
May'10	2070	03.05.10 : 13815	1772	25.05.10 : 9749	2004.55	100486
Jun'10	2120	29.06.10 : 16033	1755	10.06.10 : 2614	1855.47	355591
Up to 27th July'10	2089	15.07.10 : 10085	1986	05.07.10 : 5911	2036.69	177948

Source: NSE website: www.nseindia.com

8. The resolution seeks to authorize the Board to buyback Company's shares up to 25% of the paid up share capital and the number of equity shares to be bought back by the company will be within the limits as aforesaid. The funds required for the buyback will be drawn out of the Free Reserves of the Company.
9. The actual reduction in outstanding number of shares would depend upon the price at which the shares are bought back as well as the total number of shares available for purchase. However, assuming the shares are purchased at the maximum price (Rs. 2045/-) and that the Company would be in a position to successfully purchase shares for an amount of Rs. 226.71 crores as approved by the shareholders, the total number of shares that would be purchased in terms of the approval of the shareholders would be approximately 11,08,606 equity shares and the outstanding shares would accordingly reduce to that extent.
10. a. The aggregate shareholding of Sri Sanjay Jayavarthanavelu, Managing Director and the persons acting in concert (hereinafter referred to as "the Promoters") as on date of the Notice is 31,93,208 equity shares each of face value of Rs.10/- constituting 25.81 % of the equity share capital of the Company. Pursuant to the buyback of equity shares as proposed and depending on the response to the buyback offer, the percentage holding of the Promoters would increase marginally. Such an increase in the percentage holding of Promoters is consequential and indirect in nature and falls within the limits prescribed under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
- b. No shares were either purchased or sold by the Promoters during the period of six months preceding the date of the Board Meeting at which the proposal for buyback is approved.
- c. The Promoters will not participate in the buyback.
- d. The aggregate shareholding of the Directors of the Company as on date of the Notice is given in the following table:

Name of the Director	No. of shares As on 10.03.2010	% holding as on As on 10.09.2010
Sri. M.V.Subbiah	0	0
Justice Sri.G.Ramanujam(Retd.)	3300	0.03
Justice Sri.S.Natarajan(Retd.)	0	0
Sri. S.Pathy	1420	0.01
Sri. R.Satagopan	0	0
Sri. Basavaraju (Nominee Director LIC)	0	0
Sri. R.Venkatragappan	1100	0.01
Sri. Sanjay Jayavarthanavelu	99350	0.81

- e. None of the above Directors have purchased or sold any shares of the Company during a period of six months preceding the date of the Board Meeting at which the buyback was approved, namely 28th July, 2010.
- f. The Directors do not intend to participate in the buyback.
11. As required under the Act, the ratio of the debt owed by the Company would not be more than twice the Share Capital and Free Reserves after the buyback.
12. As per the provisions of the Act, the special resolution passed by the members approving the buy back will be valid for a maximum period of twelve months from the date of passing the said special resolution. Subject to the maximum price

for buy back and maximum validity period of twelve months, the time frame and the price will be determined by the Board (which expression shall also include a committee of Board of Directors constituted for this purpose)

13. As per the provisions of the Act, the Company will not be allowed to issue fresh equity shares within a period of six months after the completion of the buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversions of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.
14. The Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
15. The Board of Directors hereby confirms that it has made a full inquiry into the affairs and prospects of the Company and has formed the opinion;
 - a. that, immediately following the date on which the results of the Postal Ballot are declared, there will be no grounds on which the Company could be found unable to pay its debts;
 - b. that, as regards its prospects for the year immediately following the date on which the results of the Postal Ballot are declared, having regard to their intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the aforesaid date ; and
 - c. that, in forming its opinion for the above purposes, the Board has taken into account the liabilities including prospective and contingent liabilities as if the Company were being wound up under the provisions of the Act.
16. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares purchased through the buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent Audited Balance Sheet.
17. The Report dated 10.09.2010 received from M/s.Jagannathan & Viswanathan and Subbachar & Sreenivasan Chartered Accountants, the statutory auditors of the Company addressed to the Board of Directors of the Company is reproduced below :

"in connection with the proposed buyback of equity shares approved by the Board of Directors of Lakshmi Machine Works Limited (hereinafter referred to as the "Company") at their meeting held on 28th July, 2010, and by the circular resolution Dated 27.08.2010 and subject to the approval of shareholders by a special resolution to be obtained by means of voting by postal ballot, in pursuance of the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (buyback of securities) Regulations, 1998 and based on the information and explanations given to us, we report that :

- a. we have inquired into the state of affairs of the company in relation to its audited financial statements for the year ended 31st March, 2010 which were taken on record by the Board of Directors at their meeting held on 24.05.2010. These financial statements have been placed before the members of the Company at the Annual General Meeting held on 28.07.2010.
- b. the capital payment (including premium) of an amount not exceeding Rs. 226.71 crores towards the buyback of equity shares properly determined in accordance with Section 77A (2) of the Companies Act, 1956 and is within the permissible amount of 25% of the paid up equity capital and free reserves of the Company, as computed below. The amounts of Share Capital and Free Reserves have been extracted from the audited financial statements of the Company for the year ended 31st March, 2010.
- c. the Board of Directors of the Company, at their meeting held on 28th July, 2010 have formed their opinion as specified in Clause(x) of Schedule-I of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of declaration of results of Postal ballot on 22.10.2010.
- d. this report has been issued at the request of the company in connection with the proposed buyback and cannot be used for any other purpose".

Particulars	As at 31st March, 2010 Rs.in Crores.
Share Capital - Subscribed and Paid up	12.37
Free Reserves	
- Share Premium Account	0.00
- General Reserve	237.26
- Profit and Loss Account - surplus	657.23
TOTAL	906.86
Maximum amount permissible for buyback i.e. 25% of the total paid up capital and free reserves	226.71

1. None of the Directors is concerned or interested in this Resolution, except to the extent of their shareholding in the Company, as detailed above. The Board recommends the proposal for approval by the Members of the Company.
2. In accordance with the regulatory provisions, the shares bought back by the Company will be compulsorily cancelled and will not be held for re-issuance.

By Order of the Board

K.DURAI SAMI

Company Secretary

Place : Coimbatore

Date : 10.09.2010

Details of the resolutions passed by the Buy Back committee of the Board of Directors on September 10, 2010

The Board of Directors at their meeting held on July 28, 2010 have constituted a committee of Directors Viz. Buy Back Committee to deal with all the matters in respect of the buy back. The Committee met on September 10, 2010 and decided that for the purpose of buy back the tender route can be adopted and so the Company will adopt the tender route for the purpose of buy back.

6. NECESSITY AND BASIS FOR BUYBACK

The Buyback is proposed on account of the Company's strong cash flow delivery and the accumulated cash being more than what is needed to fund growth. The buyback is expected to :

- reduce outstanding number of shares and consequently increase Earnings Per Share over a period of time and enhance long term value creation.
- effectively utilize surplus cash for the Company
- make the Balance Sheet leaner and more efficient to improve key ratios like Return on Net Worth, Return on Assets etc.

7. PROCESS AND METHODOLOGY FOR THE BUYBACK

7.1 The Buyback is being made pursuant to SEBI (Buy-Back of Securities) Regulations, and subsequent amendments thereof as well as in accordance with the provisions of Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956. The Buyback will be implemented on a proportionate basis through the tender offer route.

7.2 The aggregate shareholding of the promoters / promoter group and / or of persons who are in control of the Company as on date is 31,92,728 equity shares each of face value of Rs 10 each representing 25.81 % of the paid up and equity share capital of the Company.

7.3 None of the promoters / promoter group and/or persons in control of the Company intend to tender their Shares in the Buyback as undertaken on September 10, 2010 and will not transact in the shares of the Company during the period of Buyback. The holding of the promoters and/or persons in control of the Company as a result of the Buyback would increase to 28.35% of the total equity capital post Buyback, assuming that the entire Buyback Size is utilized for the Buyback.

8. MAXIMUM AMOUNT TO BE INVESTED AND MAXIMUM SHARES TO BE BOUGHT BACK AND SOURCES OF FUNDS

- 8.1 Assuming full acceptance, the funds that would be employed by the Company for the purposes of the Buyback, would be Rs. 22671 lakhs.
- 8.2 The Buyback Size of Rs. 22671 lakhs represents 25% of the aggregate of the paid up equity share capital and eligible free reserves of the Company as at March 31, 2010.
- 8.3 The maximum number of Shares to be bought back in the Buyback is 11,08,606 equity shares. The number of Shares bought back would constitute approximately 8.96% of existing paid up equity share capital of the Company.
- 8.4 The Shares shall be bought back at a price of Rs. 2045 per share.
- 8.5 The funds for Buyback will be available from the current surplus and/or cash balances. The Company have sufficient cash balances to meet the buy back outflow.

9. BRIEF INFORMATION ABOUT THE COMPANY

9.1 The registered office of the Company is located at Perianaickenpalayam, Coimbatore-641 020 and the Corporate office of the Company is situated at 34-A, Kamraj Road, Coimbatore 641 018. The Company was incorporated on September 14, 1962 under the Companies Act, 1956.

9.2 The Company is engaged in the business of manufacturing entire range of textile spinning machinery CNC machine Tools and Castings.

9.3 The Company had issued only the equity shares .The Company's equity shares are listed in the Bombay Stock Exchange Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai Further, the Company's equity shares were listed on Bangalore Stock Exchange Limited and got delisted with effect from September 24, 2003. The Company has made a delisting application to the Madras Stock Exchange Limited on September 30, 2009 and is still pending with the Exchange.

10. FINANCIAL INFORMATION

The brief audited financial information of the Company for the last three financial years and the unaudited financial results for the half year ended September 30, 2010 is provided below. It must be noted that the financials for the period half year ended September 30, 2010 although unaudited, have been certified by a Limited Review Certificate dated October 25, 2010 by the joint statutory auditors and adopted by the Board of Directors of the Company at its meeting on October 25, 2010. (Rupees in lakhs)

Period Ending	Half year ended 30.09.2010	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008
Income from operations	76331.45	113690.43	133801.39	220516.46
Other Income	2524.10	8214.02	9062.21	8754.68
Total Income	78855.55	121904.46	142863.60	229271.14
Earnings before Finance Charges, Depreciation and tax	13346.11	24638.27	27178.83	48702.66
Profit after Tax	7594.98	10468.39	10693.48	24230.12
Equity dividend (incl dividend tax)	0	2163.57	2170.71	6512.13
Subscribed Equity Share Capital	1236.93	1236.93	1236.93	1236.93
Reserves & Surplus	102638.00	91340.56	83035.73	75749.88
Net Worth (Exl Revaluation and Capital Reserves)	103874.93	92577.49	84272.66	75749.89
Total Debt	0	0	0	0
Key Ratios				
Earnings per Share (Rs) (Basic and Diluted)	61.40**	84.63	86.45	195.89
Book value per Share (Rs)	839.80	748.46	681.32	612.41
Debt-Equity Ratio	NA	NA	NA	NA
Return on Network (%)	7.31	11.31	12.69	35.53

** Not Annualised

11. ESCROW ACCOUNT DETAILS

In accordance with the Regulation 10 of the Regulations an Escrow agreement has been entered into among the Company, Enam Securities Pvt. Ltd. and Citibank N.A. (the "Escrow Agent") through its branch at Fort House, 4th Floor, Dr. D.N. Road, Mumbai 40001 on December 22, 2010 and in accordance with the same the Company has opened an escrow account in the name and style "LMW LTD-BUYBACK ESCROW AC" bearing account number 70004542 in the form of cash deposit of a sum of Rs. 3800 lakhs (Rupees Three Thousand Eight Hundred Lakhs Only) ("Escrow Amount"), with a lien marked in the favor of Enam Securities Pvt. Ltd. (Manager to the Buyback).

12. FIRM FINANCING ARRANGEMENTS

The Company, duly authorized by its Buyback Committee on December 20, 2010 has set aside funds by way of Bank Deposits in excess of the Buyback Size, distinct from funds provided for escrow arrangements, for the purpose of fulfillment of the obligations of the Company under the Buyback in accordance with the Regulations

Name of the security	Amount (Rs in lakhs)
Fixed Deposits held in: Indian Bank, Main branch, Variety Hall Road, Coimbatore	23000.00

Based on the resolution of the Buyback Committee dated December 20, 2010 in this regard, and other facts/documents the joint statutory auditors to the Company namely Subbachar and Srinivasan Chartered Accountants and M.S. Jagannathan and Vishvanathan Chartered Accountants, have i certified, vide their letter dated December 22, 2010 that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback. Based on the aforesaid resolution and aforementioned certificate, the Manager to the Buyback confirms that firm arrangements for fulfilling the obligations under the Buyback are in place.

13. LISTING DETAILS AND STOCK MARKET DATA

13.1 The Shares of the Company are listed on BSE and NSE

13.2 The high and low market prices for the last three years and the monthly high, low and average market prices for the six months preceding this Public Announcement and the corresponding volumes on the exchanges are as follows:

BSE

Period	High (Rs.)	Date of High	Number of Shares traded on that date	Low (Rs.)	Date of Low	Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
April 1, 2007 to March 31, 2008	3880.15	November 13, 2007	48355	1383.55	March 24, 2008	5002	2631.85	2660855
April 1, 2008 to March 31, 2009	1750.25	May 5, 2008	8384	419.1	March 09, 2009	1219	1084.68	1421866
April 1, 2009 to March 31, 2010	2184.85	January 7, 2010	132174	529.45	April 1, 2009	5269	1357.15	3953558
July 1, 2010 to July 31, 2010	2184.85	July 27, 2010	67511	419.1	July 23, 2010	4814	1301.98	236080
August 1, 2010 to August 31, 2010	2195.9	August 24, 2010	9479	2003.05	August 2, 2010	2912	2099.48	205977
September 1, 2010 to September 30, 2010	2490.1	September 9, 2010	16438	2182.6	September 1, 2010	8982	2336.35	250949
October 1, 2010 to October 31, 2010	2866.55	October 19, 2010	17654	2387.55	October 4, 2010	4964	2627.05	251086
November 1, 2010 to November 30, 2010	2837.25	November 8, 2010	8963	2457.55	November 30, 2010	2378	2647.4	113263
December 1, 2010 to December 23, 2010	2596.9	December 1, 2010	6260	2296.95	December 9, 2010	2296.95	2446.93	50719

(Source: www.bseindia.com)

*Arithmetical average of closing prices

NSE

Period	High (Rs.)	Date of High	Number of Shares traded on that date	Low (Rs.)	Date of Low	Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
April 1, 2007 to March 31, 2008	3881.95	November 13, 2007	78560	1379.6	March 24, 2008	8056	2630.78	698020.5
April 1, 2008 to March 31, 2009	1750.25	May 5, 2008	15834	419.5	March 9, 2009	3151	1084.88	2353678
April 1, 2009 to March 31, 2010	2179.8	January 7, 2010	160472	529.35	April 1, 2009	6828	1354.58	5431160
July 1, 2010 to July 31, 2010	2113	July 27, 2010	31770	1998	July 23, 2010	3619	2035.81	241124
August 1, 2010 to August 31, 2010	2195.15	August 24, 2010	15285	2003.55	August 2, 2010	4524	2099.35	244173
September 1, 2010 to September 30, 2010	2488.7	September 8, 2010	41605	2181.25	September 1, 2010	7956	2391.37	354523
October 1, 2010 to October 31, 2010	2865.45	October 19, 2010	27759	2392.75	October 4, 2010	6107	2629.1	301265
November 1, 2010 to November 30, 2010	2853.2	November 11, 2010	30708	2467.9	November 30, 2010	11049	2680.55	166858
December 1, 2010 to December 23, 2010	2588.95	December 1, 2010	9515	2291	December 9, 2010	9648	2439.98	75476

- being the market lot of the Company. A Letter of Offer ("LOF") and Form of Acceptance-cum-Acknowledgement ("Form"), outlining the terms of the Buyback as well as the detailed disclosures as specified in the Regulations, will be mailed to shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Shares as per the records of National Securities Depository Limited / Central Depository Services (India) Limited, on the Specified Date.
- 18.4 The Buyback shall be open for the period as shown in the proposed timeline. Shareholders who propose to accept the Buyback must ensure that their Form(s), along with the requisite documents, reach the collection center before 5pm on the date of the closure of the Buyback. Shareholders must also ensure that the credit of dematerialized Shares in the Special Depository Account must take place before the time specified in clause 18.19 of this Public Announcement.
- A Letter of Offer ("LOF") and Form of Acceptance-cum-Acknowledgement ("Form"), outlining the terms of the Buyback as well as the detailed disclosures as specified in the Regulations, will be mailed to shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Shares as per the records of National Securities Depository Limited / Central Depository Services (India) Limited, on the Specified Date. The LOF will be sent to shareholders so as to reach them before the date of opening of the Buyback.
- 18.5 The Company will consider all the Shares tendered for the Buyback by shareholders, for acceptance under the Buyback, irrespective of whether the shareholder is registered with the Company as on the Specified Date or has obtained delivery after the Specified Date or he holds the Shares in street name. In case the tenderer is an unregistered shareholder, he should submit the transfer deed complete in all respects, along with the share certificate as specified elsewhere in this announcement.
- 18.6 Shareholders may submit the Form duly signed (by all shareholders in case the Shares are in joint names) at the specified Collection Centres along with the share certificate(s) / copy of DP instruction slip and other relevant documents as specified in the Letter of Offer. Each shareholder should submit only one Form irrespective of the number of folios he/she holds. Multiple applications tendered by any shareholder shall be liable to be rejected. Also, multiple tenders from the same depository account or same registered folio shall also be liable to be rejected.
- 18.7 Shareholders may offer for Buyback their full holding or any part of their holding of Shares of the Company, as they desire. As the Shares of the Company are tradable compulsorily in demat segment, in the event the aggregate number of Shares tendered by the shareholders are more than the total number of Shares to be bought back by the Company, the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the shares validly tendered by the shareholder divided by the total valid shares validly tendered and multiplied by the total number of Shares to be bought back by the Company.
- 18.8 Adjustment for fraction shareholding in case of pro-rata acceptance:
- For any shareholder, if the number of Shares to be accepted for Buyback on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - If the number of Shares of a Shareholder to be accepted for Buyback on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.
 - In cases where due to above rounding off accepted number of Shares is zero, at least 1 Share would be accepted.
- 18.9 No single offeror can tender Shares more than the Shares proposed to be bought back and any Form wherein the number of Shares offered by a shareholder exceeds the total number of Shares to be bought back will be rejected.
- 18.10 The Company will not accept any equity shares offered for buyback which are under lock-in or where there exists any restraint order of a Court for transfer / disposal or where loss of share certificates has been notified to the Company or where the title to the shares is under dispute or otherwise not clear or where any other restraint subsists.
- 18.11 Where the Form is signed under Power of Attorney or by Authorized Signatory(ies) on behalf of a company / body corporate, the Power of Attorney/Signing Authority along with the specimen signatures must have been previously registered with the Company. The registration serial number of such documents should be mentioned below the relevant signature. Where the relevant document is not so registered, a copy of the same duly certified by a Notary / Gazetted Officer should be enclosed with the Form.
- 18.12 In case one or more of the joint holders is deceased, the Form must be signed by all surviving holder(s) and submitted along with a certified or attested true copy of the Death Certificate(s). If the sole shareholder is deceased, the Form must be signed by the legal representatives of the deceased and submitted along with the certified or attested true copy of Probate / Letters of Administration / Succession Certificate and all other relevant documentation while tendering their Shares for the Buyback.
- 18.13 Where a joint shareholder is deceased, the Shares will be consolidated with the Shares, if any, held and tendered by the surviving shareholder(s) for the purpose of reckoning the aggregate number of Shares to be bought back from the surviving shareholders.
- 18.14 In case of any lacunae and/or defect, incomplete information, late receipt or modifications in the documents/Forms submitted, the Form(s) are liable to be rejected.
- 18.15 All the shareholders should provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form is being sent. Such documents may include (but not be limited to):
- No objection certificate from any lender, if the Shares in respect of which the Form is sent, were under any charge, lien or encumbrance.
 - Duly attested Power of Attorney, if any person other than the shareholder has signed the Form.
 - In case of companies, the necessary certified corporate authorizations (including Board and/or general meeting resolutions).
- 18.16 It is mandatory for the shareholders to indicate the bank account at the appropriate place in the Form.
- 18.17 Non-receipt of the LOF by, or accidental omission to dispatch the LOF to any person who is eligible to receive the offer, shall not invalidate the offer in any way.
- 18.18 In case of non-receipt of the LOF / Form:
- In case the Shares are in dematerialized form:** A shareholder may send an application in writing on plain paper stating name, address, number of shares, Client ID number, DP Name/ID, beneficiary account number, number of equity shares tendered for the Buyback, bank account particulars for the payment of Buyback consideration etc. enclosing a photocopy of the delivery instruction in "Off-market" duly acknowledged by the DP, in favour of the depository account (details as per Clause 18.19) and other necessary documents. Shareholders must ensure that their Form(s), along with the requisite documents, reach the collection centers before 5:00 p.m. on the date of closure of the Buyback. Shareholders must also ensure that credit of dematerialized Shares in the Special Depository Account must take place before 5:00 p. m. on the date of closure of the Buyback.
 - In case the Shares are in physical form:** A registered shareholder may send an application in writing on a plain paper signed by all shareholders stating name, address, folio number, number of equity shares held, certificate number, number of equity shares tendered for the Buyback and the distinctive numbers thereof, bank account particulars for payment of consideration, etc. enclosing the original share certificate(s) with valid equity share transfer form(s) duly signed by the transferor, copy of shareholders PAN card and other necessary documents. In the event that the shareholder is unregistered, the application must additionally be accompanied by the original equity share certificate(s) accompanied by valid share transfer form(s) as received from the market, (wherein the name of the transferee has not been filled in), and the original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares tendered. The name of the purchaser in the broker contract note should be identical with the name of the unregistered shareholder

tendering the shares for Buyback. Shareholders must ensure that their Form(s), along with the requisite documents, reach the collection centers before 5 pm on the date of closure of the Buyback.

For Shares held in the dematerialised form

- 18.19 The Company has opened a Depository account styled "Lakshmi Machine Works Limited, Buy back Escrow Account " with Stock Holding Corporation of India Limited, A-108, Raheja Centre, 1st floor, 1073/74, Avinashi Road, Coimbatore- 641018. The beneficial owners are required to execute an off-market trade by submitting the Delivery Instructions for debiting his/her beneficiary account with their concerned Depository Participant ("DP"). The date of execution entered in the delivery instruction should be on or after the date of opening of the Buyback and on or before the last date of submission of the Form to the collection centers or on or before mailing the Form to the Registrar to the Buyback as the case may be, but not later than the date of closure of the Buyback. A photocopy of the Delivery Instructions or counterfoil of the Delivery Instructions duly acknowledged by the DP shall be attached to the Form while submitting the same. The beneficial owner may note that the Delivery Instructions to be made to the their Depository Participant should be in the "Off-market trade" mode, and as per the details provided below.

DP Name	Stock holding Corporation of India Limited
DP ID Number	IN 301080
Beneficiary Account Name	Lakshmi Machine Works Limited, Buy back Escrow Account
Beneficiary Account Number/Client ID	22785492
Market	Off-Market
Execution Date	On or before Thursday, March 24, 2011

Please note that the aforementioned account shall be closed at 5:00 p.m. on the date of closure of the Buyback. Beneficial owners are requested to ensure the credit of their Shares to the aforementioned account before the closure of the aforementioned account.

- 18.20 Shareholders having their beneficiary account in CDSL will have to use inter-depository instructions slip for the purpose of crediting their Shares in favour of the Special Depository Account.
- 18.21 If the Registrar to the Offer does not receive the documents listed above by 5 pm on the date of closure of the Buyback, then, notwithstanding the credit of the Shares in the Special Depository Account, the Buyback will be deemed to have been rejected by such shareholder and the Shares tendered by such shareholder will be returned to such shareholder no later than March 17, 2011 by way of a credit to the shareholder's depository account. Conversely, if the Shares are not credited to the Special Depository Account by 5 pm on the date of closure of the Buyback, then, notwithstanding the receipt of the documents listed above by the Registrar to the Offer by or before 5 pm on the date of closure of the Buyback, the Buyback Offer will be deemed to have been rejected by such shareholder.
- 18.22 In the event, that any Shares have to be returned to the shareholders and if the returned shares are not credited to the shareholder's beneficiary account for any reason whatsoever, the said Shares will be rematerialized and kept in physical form with the Company in trust for the shareholders until the Company receives specific directions from the shareholders with regard to these Shares.
- 18.23 In case all the Shares tendered for the Buyback are accepted by the Company then the delivery instruction given by the shareholders to their DPs will be acted upon and consideration will be paid to the concerned shareholder as specified earlier on.
- 18.24 Shares held in dematerialized form to the extent not accepted for the Buyback will be returned to the beneficial owner to the credit of the beneficial owner's depository account with their respective DP as per details furnished by the beneficial owner in the Form/ as per those received electronically from the shareholder's DP, under intimation to the first named beneficial owner by Registered Post or UPC. The Shares shall be transferred no later than March 17, 2011 In the event that there is a conflict between the details provided in the Form and those received electronically from the shareholder's DP, the details received electronically shall prevail. However, the Shares so received are liable to be rejected and returned to the account as per the details provided electronically by the shareholder's DP.

For Shares held in the physical form, by registered shareholders

- 18.25 Registered shareholders holding Shares in physical form are required to enclose a copy of the PAN card, the original share certificate(s) and valid equity share transfer form(s) duly signed by the transferor (by all the equity shareholders in case the Shares are in joint names, with the names filled up in the same order in which they hold Shares in the Company) as per the specimen signatures lodged with the Company and duly witnessed at the appropriate place, while submitting the Form(s).
- 18.26 Shares held in physical form to the extent not accepted for Buyback will be returned to the beneficial owner after suitable sub-division, if any, in order to facilitate acceptance of share certificates tendered by them, through Registered Post or UPC, at the shareholders' sole risk.
- 18.27 If the Registrar to the Buyback does not receive the documents listed above by 5 pm on the date of closure of the Buyback, then, notwithstanding the receipt of the share certificates and valid transfer deeds, the Buyback offer will be deemed to have been rejected by such shareholder and the share certificates and valid transfer deeds shall be returned to such shareholder no later than March 17, 2011. Conversely, if the share certificates and valid transfer deeds are not received by the Registrar to the Offer by 5 pm on the date of closure of the Buyback, then, notwithstanding the receipt of the documents listed above by the Registrar to the Buyback by or before 5 pm on the date of closure of the Buyback, the Buyback Offer will be deemed to have been rejected by such shareholder.

For Shares held in the physical form, by persons not registered as shareholders

- 18.28 Unregistered shareholders who wish to tender their Shares in response to the Buyback should send the application in plain paper signed by all shareholders, stating folio number, name, address, number of Shares held, share certificate number, distinctive numbers, number of Shares tendered for the Buyback and bank account details together with the original share certificate, and duly executed transfer deed and other relevant document including PAN card copy.
- 18.29 Persons not registered as shareholders are required to enclose with the Form:
- the original equity share certificate(s) accompanied by valid share transfer form(s) as received from the market, wherein the name of the transferee has not been filled in;
 - the original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares tendered in this case; The name of the purchaser in the broker contract note should be identical with the name of the unregistered shareholder tendering the shares for Buyback;
 - in case the share certificate(s) and the transfer deed(s) are lodged with the Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgement of lodgment with, or receipt by, the company/its transfer agents, of the share certificate(s) and the transfer deed(s).
- 18.30 All transfer requests received by the Company on or before the closure of the Buyback shall be processed by the Company and considered for finalization of the acceptance.
- 18.31 The above documents need to reach the collection centers by 5:00 p.m. on or before Thursday, February 24, 2011
- 18.32 No indemnity is required from persons not registered as shareholders as regards to the title of shares.

For Shares held by Non-resident shareholders

- 18.33 Non-resident shareholders (excluding FII) should also enclose a copy of the permission received by them from RBI to acquire the Shares held by them in the Company.
- 18.34 In case the Shares are held on repatriation basis, the non-resident shareholder should obtain and enclose a letter from its authorized dealer/bank confirming that at the time of acquiring the said Shares, payment for the same was made by the non-resident shareholder from the appropriate account as specified by RBI in its approval. In case the non-resident shareholder is not in a position to produce the said certificate, the Shares would be deemed to

have been acquired on non-repatriation basis and in that case the holder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid shares accepted under the Buyback.

If any of the above stated documents, as applicable, are not enclosed along with the Form, the Shares tendered under the Buyback are liable to be rejected

19. SETTELEMENT

Subject to Clause 16 of the Public Announcement, the Company will pay the consideration to the shareholders in respect of the Shares bought back within 7 days of acceptance, in accordance with the Regulations.

- The payment of consideration for accepted applications shall be made by the Company to the sole / first shareholder, the details of which are recorded with the Company/DP. Payment shall be made through ECS (subject to availability of all information for crediting the funds), Demand drafts / Pay Order payable at par at all the centres where the Company is accepting applications and centres where the Company would have to open collection centres if it were carrying out a public issue of a size equal to the Buyback Size and the same shall be drawn in the name of the first named person in case of joint shareholders. In the event that the amount payable to a tenderer exceeds Rs.1,500/-, the instrument for such payment shall be sent by registered post.
- In order to avail ECS, shareholders holding Shares in physical form are requested to submit the ECS mandate form duly filled in and signed while submitting the Form if the same has not been submitted earlier to the Company / Registrar & Share Transfer Agents. Shareholders holding Shares in dematerialized form are requested to instruct their respective DP regarding bank accounts in which they wish to receive consideration before the close of the Buyback. The Company / Registrar & Share Transfer Agents will not act on any direct request received from shareholders holding Shares in dematerialized form for change / deletion of such bank details.
- All Shareholders are requested to determine the tax implications of Buyback and are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.
- The Shares lying to the credit of the Special Depository Account will be extinguished within 7 days from the date of acceptance of the Shares in the manner specified in the Regulations. In respect of Shares bought back in the physical form, the Shares would be extinguished and share certificates physically destroyed within 7 days from the date of acceptance in the manner specified in the Regulations. The details of the Shares extinguished would be notified to the stock exchanges and SEBI as per provisions of the Regulations.
- All documents sent by shareholders and all remittances to shareholders will be at their own risk. Shareholders are advised to adequately safeguard their interests in this regard.

20. COMPLIANCE OFFICER

The Company has designated the following as the Compliance Officer for the Buyback:

Name: **K.Duraisami**
Designation: Company Secretary
Address: 34-A,Kamaraj Road, Coimbatore - 641018
Phone: 0422 2221680 - 83
Fax : 0422 2220912
Email: duraisami.k@lmw.co.in
secretarial@lmw.co.in

The Compliance Officer can be contacted on any working day i.e. Monday to Saturday and not being a bank holiday in Coimbatore between 10.00 a. m. and 5.00 p. m.

21. INVESTOR SERVICE CENTRE

In case of any queries, the shareholders may contact Investor Service Centre, from Monday to Saturday between 10.00 a. m. and 5.00 p. m. on all working days, at the following address:

Name: **K.Duraisami**
Address: Company Secretary
Lakshmi Machine Works Limited, 34-A, Kamaraj Road, Coimbatore - 641018
Phone: 0422 2221680 -83
Fax: 0422 2220912
Email: duraisami.k@lmw.co.in
secretarial@lmw.co.in

22. MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback

ENAM	Name:	Enam Securities Private Limited
	Address:	801, Dalamal Towers, Nariman Point, Mumbai 400 021, Maharashtra, India
	Phone:	(91 22) 6638 1800
	Fax:	(91 22) 2284 6824
	Email:	lmwbuyback@enam.com
	Contact Person:	Ms Simran Gadh
	SEBI Registration No:	INM000006856
	Validity Period:	October 16, 2008 to October 15, 2011

23. REGISTRARS TO THE BUYBACK

The Company has appointed the following as the Registrars to the Buyback:

skdc	Name:	SKDC Consultants Limited
	Address:	Kanapathy Towers, 3rd Floor, 1391/1-A, Sathy Main Road Ganapathy, Coimbatore-641006
	Phone:	0422 6549995
	Fax:	0422 2499574
	Email:	buyback@skdc-consultants.com
	Contact Person:	Mr. K. Jayakumar
	SEBI Registration No.	INR000000775
	Validity Period:	December 16, 2009 to December 15, 2012

24. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company accepts responsibility for all the information contained in this Public Announcement.

For and on behalf of the Board of Directors of Lakshmi Machine Works Limited		
Sd/-	Sd/-	Sd/-
Sri.R.Venkatrangappan Chairman	Sri.Sanjay Jayavarthanavelu Managing Director	Mr. K Duraisami Company Secretary

Date : December 24, 2010
Place : Coimbatore