

Notice to Shareholders

NOTICE is hereby given that the 53rd Annual General Meeting of the Shareholders of Lakshmi Machine Works Limited, Coimbatore-641020 will be held at 02.45 PM on Friday the 5th August, 2016 at "Nani Kalai Arangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore-641037, to transact the following business:-

Ordinary Business:

- To consider and adopt standalone and consolidated Annual Financial Statements including Statement of Profit and Loss and Cash Flow Statement for the financial year ended 31st March, 2016, the Balance Sheet as at that date, the Report of the Board of Directors and the Report of the Auditors.
- To declare a dividend.
- To Note the retirement of Sri R. Rajendran, Director (DIN: 00005505), who retires by rotation, though eligible, does not offer himself for reappointment and the vacancy so caused on the Board not to be filled up at this Annual General Meeting.
- To pass the following resolution:
RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, approval of the Company be and is hereby given: to record the retirement of M/s. Jagannathan and Visvanathan Chartered Accountants, one of the joint auditors, from the conclusion of this Annual General Meeting, to approve the re-appointment of M/s Subbachar and Srinivasan, Chartered Accountants one of the joint auditors, for the financial year 2016-17 to hold office till the conclusion of the next Annual General Meeting, to approve the appointment of M/s S Krishnamoorthy & Co., Chartered Accountants, as Auditors, with Sri. K. Raghu as signing Partner, for a term of five financial years commencing from 2016-17 to 2020-21 to hold office from the conclusion of this Annual General Meeting and till the conclusion of the Annual General Meeting to be held in 2021 and for the payment of an audit fee of ₹25 Lakhs, exclusive of reimbursement of out of pocket expenses and service tax, if any, for the FY 2016-17 to be shared equally by the joint auditors.

Special Business:

- To consider and if deemed fit to pass the following resolution as *Ordinary Resolution*.
RESOLVED that pursuant to the provisions of section 197 and 198

other applicable provisions, if any, of the Companies Act, 2013 including any amendments and modifications thereof, a sum not exceeding 1% of the net profits subject to a maximum of ₹100 Lakhs per annum be paid as commission to the Non-Executive Directors of the Company for a period of three financial years from 2015-16 to 2017-18.

RESOLVED FURTHER that the profit for this purpose shall be computed in the manner prescribed under Section 198 of the Companies Act, 2013 and the said commission is payable in addition to the sitting fees payable to Non-Executive Directors for attending the meetings of the Board of Directors, Committees thereof and of the meeting of Independent Directors.

RESOLVED FURTHER that the commission for each of the financial years be paid and distributed to all the Non-Executive Directors of the Company or some or any of them in such amount or proportions and in such manner as may be decided by the Board of Directors.

- To consider and if deemed fit to pass the following resolution as an *Ordinary Resolution*.

Resolved that pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including any amendments and modifications thereof and Articles of Association of the Company, approval of the Company be and is hereby accorded for the re-appointment of Sri Sanjay Jayavarthanavelu (DIN No. 00004505) as Managing Director for a further period from 01.06.2017 to 31.03.2022 on the remuneration set out herein below:

- | | |
|-----------------------------|---|
| 1. Salary | : ₹9,00,000/- per month, for the period from 1st June, 2017 to 31st March, 2022. |
| 2. Commission on Net Profit | : At the rate of 2% for the period from 1st June, 2017 to 31st March, 2020 and at the rate of 3% for the period from 1st April, 2020 to 31st March, 2022, payable annually. |
| 3. Perquisites | : In addition to the salary and commission, the Managing Director shall also be entitled to the following interchangeable perquisites for the period from 1st June, 2017 to 31st March, 2022: |

- Furnished accommodation, where accommodation is not provided, 50% of the salary as HRA, gas, electricity, water, furnishings, medical reimbursement, 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 above ceiling, perquisites shall be valued as per Income Tax rules wherever applicable.
- 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.
- Gratuity payable shall not exceed half a month's salary for each completed year of service. The Managing Director is also 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.
- 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 Managing Director.

RESOLVED FURTHER that the minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit in any financial year during the said tenure of office shall be as per Schedule V of the Companies Act, 2013.

- To consider and if deemed fit to pass the following resolution as an *Ordinary Resolution*.

RESOLVED that pursuant to the provisions of Sections 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory amendments and modifications thereof, the remuneration payable to Sri AN Raman, Cost Accountant, Chennai having the Membership Number of 5359, appointed by the Board of Directors to conduct the Audit of the cost accounting records of the Company for the Financial Year 2016-17 amounting to ₹5,50,000/- Per Annum exclusive of service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit fixed by the Board of Directors be and is hereby ratified and confirmed.

By Order of the Board

Place : Coimbatore
Date : 16th June, 2016

K. Duraisami
Company Secretary

NOTE:

- The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.
- A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
- Members / proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act,

2013 will be available for inspection by the members at the AGM.

- 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 at the AGM.
- The Register of Members and share transfer books of the Company will remain closed from Friday the 29th July, 2016 to Friday, the 5th August, 2016 (both days inclusive) as per Regulation-42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 and as per the details received from the depositories for this purpose as at the close of the business hours on Thursday, 28th July, 2016.
- Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of bank account details to their respective Depository participant(s).
- Members are advised to utilize the National Electronic Clearing System (NECS) for receiving dividends.
- Members are requested to address all correspondences, including change of address and dividend matters, to the Registrar and Share Transfer Agents of the Company, M/s SKDC Consultants Limited,

- Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641006.
13. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary / Share Transfer Agents of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund.
14. 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 Obligation and Disclosure Requirements) Regulations, 2015, are provided as Annexure to this notice.
15. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company 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.
16. Annual Financial Statements and related details of the wholly

- owned subsidiary company viz. LMW Textile Machinery (Suzhou) Co Ltd. China, is posted on the Company's website and is also kept for inspection at the Registered Office of the Company and at the subsidiary Company. A hard / soft copy of the same will be provided to the members on request.
17. A member who need any clarification on accounts or operations of the Company shall write to the Company Secretary, so as to reach him at least 7 days before the meeting, so that the information required can be provided at the meeting.
18. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
19. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose E-mail id is registered with the Company / Depository Participants unless any such member has requested for a hard copy of the same. For members who have not registered their E-mail ID, physical copies of annual report and AGM Notice for the year 2015-16 are sent by Registered Parcel.
20. The notice of the Annual General Meeting is available on the website of the Company www.lakshmimach.com and of the RTA www.skdc-consultants.com

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 53rd Annual General Meeting scheduled to be held at 2.45 PM on Friday, the 5th August, 2016, by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the remote e-voting facilities. The instructions for remote e-voting is provided below.

Members, who has not voted through remote e-voting and present at the AGM in person or proxy, can vote through the ballot to be conducted at the AGM. Kindly note that members can opt for only one mode of voting i.e., either by remote e-voting or by ballot at the AGM. A member present at the AGM and voted by remote e-voting will not be permitted to vote at the AGM by Ballot.

Votes cast by members who hold shares on the cut off date viz. 29.07.2016 alone will be counted.

Instructions to Shareholders for remote e-voting

- (i) The voting period begins at 09:00 AM on Tuesday, 2nd August, 2016 and ends at 05:00 PM on Thursday, 4th August, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Friday, 29th July, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
Income Tax-Permanent Account Number	- Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	- Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. - If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xx) Shareholders who have already voted prior to the meeting date (through e-voting) would not be entitled to vote at the meeting venue.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

The Shareholders of the Company at the Annual General Meeting held on 5th August, 2013 had approved for the payment of commission to Non-Executive Directors of the Company upto 1% of the Net Profits of the Company per annum computed in the manner prescribed under Section 349 and 350 of the Companies Act, 1956 for a period of 3 financial years commencing from 1st April, 2012. This was in addition to the sitting fees paid to them for attending the Meeting of the Board and Committees thereof.

The complexity of managing business is ever increasing. The Non-Executive Directors shall also be required to devote more time and attention to the Company. Taking into consideration of the responsibilities of the Non-Executive Directors in the changing corporate environment, it is proposed to continue the payment of commission to the Non-Executive Directors up to a sum not exceeding 1% of the Net Profits of the Company, subject to a maximum of ₹100 Lakhs per annum calculated as per the provisions of Section 198 of the Companies Act, 2013 for a period of three financial years commencing from 2015-16 to 2017-18. This requires the approval of the shareholders of the Company by an Ordinary Resolution.

The Board recommends this resolution for your approval.

Interest of Directors

None of the Directors, Key Managerial Personnel or their relatives, except the Non-Executive Directors of the Company to whom the resolution relates are concerned or interested in the resolution.

ITEM NO. 6

Sri Sanjay Jayavarthanavelu was re-appointed as Managing Director of the Company for a period of 5 years from 1st June, 2012 to 31st May, 2017 by the Shareholders of the Company at the Annual General Meeting held on 10th August, 2011, hence the current tenure of his office is valid up to 31st May, 2017.

As per Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee of the Board of Directors of the Company at the meeting held on 16th June, 2016 had, in the best interest and progress of the Company, proposed to re-appoint Sri Sanjay Jayavarthanavelu as Managing Director of the Company for a further period commencing from 1st June, 2017 to 31st March, 2022, determined his remuneration as set out in the resolution and recommended to the Board for appointment. The proposed remuneration is well within the limits prescribed in the Companies Act, 2013 and the Schedules and Rules made there under.

Pursuant to the provisions of the Regulation 23 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Audit Committee of the Board of Directors of the Company at the meeting held on 16th June, 2016 had also approved the proposed

re-appointment of Sri Sanjay Jayavarthanavelu as Managing Director of the Company for the period from 1st June, 2017 to 31st March, 2022 and recommended to the Board for appointment.

The proposed transaction of availing the services of Sri Sanjay Jayavarthanavelu as Managing Director and the payment of remuneration to him during the proposed tenure is an arm length transaction taking place in the ordinary course of business and it is not a material related party transaction. Hence, the provisions of Section 188 of the Companies Act, 2013 and Regulation 23(4) of SEBI Listing Obligation and Disclosure Requirements) Regulations, 2015 are not attracted.

The Board of Directors of the Company at their meeting held on 16th June, 2016 had approved the reappointment and remuneration payable to Sri Sanjay Jayavarthanavelu for the aforesaid period subject to the approval of the shareholders. Brief bio-data of Sri Sanjay Jayavarthanavelu and other disclosures as per SS-2 are provided under Annexure to this notice.

Board of Directors recommend this resolution for your approval.

Interest of Directors

None of the Directors, Key Managerial Personnel or their relatives, other than Sri Sanjay Jayavarthanavelu is interested or concerned in the resolution.

ITEM NO. 7

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of and remuneration payable to Sri A.N.Raman, Cost Accountant for the audit of cost accounting records of the Company pursuant to the Companies (Cost Records and Audit) Rules 2014, for the Financial Year 2016-17 at a remuneration of ₹5,50,000/- excluding the applicable service tax 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.

Board recommends this resolution for the approval of the Shareholders.

Interest of Directors

None of the Directors, key managerial personnel or their relatives are concerned or interested in the resolution.

By Order of the Board

Place: Coimbatore
Date : 16th June, 2016

K. Duraisami
Company Secretary

Annexure to Notice of AGM

PROFILE OF DIRECTOR SEEKING REAPPOINTMENT
(Pursuant to Regulation 36 of the SEBI (LODR) Regulations, 2015)

Sri Sanjay Jayavarthanavelu

Brief Profile:

Sri Sanjay Jayavarthanavelu aged 48 years, is a post graduate in Business Administration from Philadelphia University, USA with specialization in Management and Finance. He joined the Company on 24.02.1993 as Director. He was appointed as Wholetime Director with effect from 03.06.1994, then elevated as Managing Director from 10.09.2010 and was also elected as Chairman of the Board with effect from 29.10.2012.

He was the past Chairman of the Textile Machinery Manufacturers Association of India, Past Chairman of the India ITME Society, at present Member of Southern Regional Council of CII and Member Executive Committee of FICCI.

He is also a Managing Trustee /Trustee of a couple of Charitable Trusts contributing to the promotion of health, education, sports and public welfare.

Experience:

He has 23 years of experience in the fields of textile, textile engineering, machine tools, foundry, logistics, finance and administration. He has gained considerable experience in Aerospace also.

Other Directorships in listed Companies:

- 1. The Lakshmi Mills Company Limited
- 2. Lakshmi Electrical Control Systems Limited
- 3. Super Sales India Limited
- 4. Carborundum Universal Limited

Sri Sanjay Jayavarthanavelu also holds Directorship in six other unlisted companies

Membership in committees of listed companies.

Lakshmi Machine Works limited	Share and Debentures Committee, CSR Committee	Chairman
Super Sales India Limited	Share Transfer Committee	Member
Carborundum Universal Limited	Audit Committee	Member

Shareholding in the Company: 1,42,291 shares

Shareholding in the Subsidiary Company: Nil

Directors' inter-se relationship:

None of the Directors of the Company is related to Sri Sanjay Jayavarthanavelu.

Other disclosures: The remuneration drawn, number of Board Meetings attended are disclosed in the Corporate Governance Report and the remuneration proposed is given in the AGM Notice.