

**PROCEEDINGS OF THE 53rd ANNUAL GENERAL MEETING OF MEMBERS OF LAKSHMI MACHINE WORKS LIMITED HELD AT 2.45 PM ON FRIDAY THE 5<sup>TH</sup> AUGUST, 2016 AT "NANI KALAI ARANGAM" MANI HIGHER SECONDARY SCHOOL, PAPPANAICKENPALAYAM, COIMBATORE-641037.**

**DIRECTORS PRESENT**

<b>Sl. No</b>	<b>Name</b>	<b>Designation</b>
1	Sri.Sanjay Jayavarthanavelu	Chairman and Managing Director
2	Sri.S.Pathy	Director
3	Sri.Basavaraju	Director
4	Sri.Aditya Himatsingka	Director
5	Dr.Mukund Govind Rajan	Director
6	Sri Sathyakumar	Nominee Director of LIC
7	Justice Smt.Chitra Venkataraman(Retd.)	Director
8	Sri.R.Rajendran	Director Finance

**IN ATTENDANCE:**

1	K.Duraisami	Company Secretary
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**IN PRESENCE:**

1	Sri.T.S.V.Rajagopal	Statutory Auditor
2	Sri.M.V.Jeganathan	Statutory Auditor
3	Sri K.Raghu	Statutory Auditor
3	Sri.B.Krishnamoorthy	Scrutiniser
4	Sri.M.D.Selvaraj	Secretarial Auditor
5	Sri K Soundhar Rajhan	President
6	Sri.C.B.Chandrasekar	Chief Financial Officer
7	Sri.V.Senthil	Sr. General Manager-Finance

**And**

171 Members were present in person 40 and members holding 47,24,475 shares accounting for 41.93 % of the paid up capital of the Company were also present through proxies.

Dr.Mukund Govind Rajan, Chairman of the Audit Committee of Board of Directors, Justice Smt. Chitra Venkataraman Chairperson of the Nomination and Remuneration Committee of the Board Directors and Stakeholders' Relationship Committee were also present at the meeting.

The Register of Directors & Key Managerial Personnel and their shareholding maintained under Section-170 of the Companies Act, 2013, Register of Contracts and Arrangements in which Directors are interested





maintained under Section-189 of the Companies Act, 2013, copy of statutory Auditors' Report, Secretarial Auditor's Report and a copy of the letter of appointment & terms and conditions of appointment of Independent Directors were kept open for inspection by the members at the commencement of the meeting and were accessible during the continuance of the meeting.

Sri.Sanjay Jayavarthanavelu, Chairman and Managing Director presided over the meeting.

The requisite quorum being present, the Chairman declared the meeting as properly constituted and called the meeting to order. The meeting commenced at 2.50 PM.

Chairman extended a warm welcome to the members for 53<sup>rd</sup> Annual General meeting of the Company and informed that the Notice of Annual General Meeting, Annual Financial Statements, Auditors' Report, Directors' Report and annexures thereto were in the hands of the members for the statutory period, with the general permission of the members present, they were taken as read.

Chairman informed that the statutory Auditors Report and Secretarial Auditor's Report were clean reports and there was no reservation, qualification or adverse remarks.

Then, Chairman introduced the Directors on the dais and delivered his speech.

In his speech, the Chairman out lined the present economic scenario in India, overall financial performance of the Company, performance of various divisions, performance of the wholly owned subsidiary Company established in China. Chairman also spoke about the financial results of the Company for the quarter ended 30<sup>th</sup> June, 2015 and on the business prospects of the Company for the current financial year.

Chairman informed that in compliance of the statutory requirements, arrangements have been made for remote e-voting through Central Depository Services (India) Limited. To enable those shareholders who have not availed the remote e-voting facility and present at the meeting, facilities to participate in the voting process through voting by ballot paper was also arranged.

Chairman further informed that to oversee the remote e-voting process and voting by Ballot paper, the Board of Directors had appointed Sri.B.Krishnamoorthi, practicing Chartered Accountant, Coimbatore, as the Scrutinizer. Sri.B.Krishnamoorthi was present at the meeting.

Chairman, then invited questions, if any, from the members relating to the performance of the Company. After answering the questions, Chairman briefed the items of business as proposed in the Notice of AGM





and requested members and proxies present, to cast their vote by ballot paper circulated to them and deposit the completed ballot papers in the Ballot Boxes.

After the Completion of the voting by Ballot, Chairman informed that on receipt of Scrutinizer's report, the results of voting would be announced at the Registered Office of the Company before 6.00 PM on 11.08.2015. The said results would be posted in the Company's website and also informed to the Stock Exchanges.

Chairman further informed that arrangements had been made for the distribution of dividend through Citibank. Those who opted for electronic credit, dividend would be placed to the credit of their Bank account on 10.08.2016. For those who have not opted for electronic credit, dividend warrants would be dispatched on 10.08.2016.

The members and proxies present exercised their voting by ballot. On completion of voting, the meeting concluded, at 05.00 PM, with a vote of thanks to the Chair.

### **OUTCOME OF THE AGM**

Sri.B.Krishnamoorthi, Scrutiniser has submitted his report on the results of remote e-voting and voting through ballot paper held at the AGM. The Chairman has declared, at 5.00 PM on 06.08.2016 at the Registered Office of the Company at Perianaickenpalayam, Coimbatore-641020, that the following resolutions were duly passed with requisite majority at the Annual General Meeting held on 05.08.2016 and authorised the Company Secretary to communicate to Stock Exchanges and to post in the Company's website.

### **BUSINESS TRANSACTED AT THE AGM:**

#### **ORDINARY BUSINESS:**

**Item No.1: Adoption of Annual Financial Statements** (ordinary resolution)

“RESOLVED that the Annual Financial Statements including statement of profit and loss, cash flow statement for the year ended 31<sup>st</sup> March, 2016 and the Balance Sheet as on 31<sup>st</sup> March, 2016, Directors' Report and Auditors Report be and are hereby approved and adopted.”

Votes FOR	Votes AGAINST	Invalid Votes	Result
8175052	0	0	Passed





**Item No.2: Declaration of Dividend (Ordinary Resolution):**

“RESOLVED that dividend for the year 2015-16 at the rate of Rs.40.00 per equity share of Rs.10/- each fully paid up (400 %), be declared and paid out of the current profits of the Company for the financial year ended 31<sup>st</sup> March, 2016 on 1,12,66,504 equity shares of Rs.10/- each absorbing Rs.45,06,60,160/- to the members whose name appear on the Register of Members of the Company as on 28<sup>th</sup> July, 2016 for those holding shares in physical form and as per the details furnished by the Depositories for this purpose as at the close of business hours on 28<sup>th</sup> July, 2016 in respect of the shares held in electronic form without deduction of tax.”

Votes FOR	Votes AGAINST	Invalid Votes	Result
8175052	0	0	Passed

**Item No.3: Note the retirement of Director by rotation and not seeking re-election. (Ordinary Resolution):**

“RESOLVED that Sri. R Rajendran , Director (DIN: 00005505), who retires by rotation, though eligible, does not offers himself for reappointment and the vacancy so caused on the Board not to be filled up at this Annual general meeting.”

Votes FOR	Votes AGAINST	Invalid Votes	Result
8171092	0	0	Passed

**Item No.4: Retirement /Re- Appointment / Appointment of Auditors and fix their remuneration. (Ordinary Resolution):**

RESOLVED That pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, approval of the Company be and is hereby given :

- to record the retirement of M/s M.S.Jagannathan and Visvanathan Chartered Accountants (Firm Regn. No. 001209S) one of the joint Auditors from the conclusion of this Annual General Meeting.
- for the re-appointment of M/s Subbchar and Srinivasan, Chartered Accountants (Firm Regn. No.004083 S) one of the joint auditors, for the financial year 2016-17 to hold office till the conclusion of the next Annual General Meeting.
- for the appointment of M/s S Krishnamoorthy & Co Chartered Accountants





:5:

( Firm Regn. No 001496 S) with Sri K Raghu as the signing Partner, as auditors for a term of five financial years commencing from 2016-17 to 2020-21 and 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 Rs 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 .

Votes FOR	Votes AGAINST	Invalid Votes	Result
8159539	14537	0	Passed

**SPECIAL BUSINESS:**

**Item No.5: Payment of Commission to Non-Executive Directors.  
(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 Rs 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 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.

Votes FOR	Votes AGAINST	Invalid Votes	Result
8172790	1286	0	Passed

**Item No. 6: Reappointment of Sri Sanjay Jayavarthanelu as  
Managing Director**





:6:

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 the Articles of Association of the Company, approval of the Company be and is hereby accorded for the re-appointment of Sri Sanjay Jayavarthanavelu as Managing Director for a further period from 01.06.2017 to 31.03.2022 on the remuneration set out herein below:

1	Salary	Rs.9,00,000/- per month, for the period from 01.06.2017 to 31.03.2022
2	Commission on net profits	At the rate of 2 % for the period, from 01.06.2017 to 31.03.2020 and at the rate of 3 % for the period from 01.04.2020 to 31.03.2022, 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 01.06.2017 to 31.03.2022 :

- 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.





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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.

Votes FOR	Votes AGAINST	Invalid Votes	Result
8017913	14088	0	Passed

**Item No.7: Confirmation of remuneration payable to Sri.A.N.Raman, Cost Auditor of the Company for the financial year 2016-17: (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.A.N.Raman, Cost Accountant, Chennai having Membership Number 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 Rs.5,50,000/- per annum exclusive of Service Tax as applicable and re-imburement 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”.

Votes FOR	Votes AGAINST	Invalid Votes	Result
8174076	0	0	Passed

**SANJAY JAYAVARTHANAVELU**  
**CHAIRMAN**

Date: 06.08.2016

/ CERTIFIED TRUE COPY /  
For LAKSHMI MACHINE WORKS LIMITED

  
(K. DURAISAMI)  
Company Secretary

