

LAKSHMI MACHINE WORKS LIMITED

PROCEEDINGS OF THE 48TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF LAKSHMI MACHINE WORKS LIMITED HELD ON WEDNESDAY THE 10TH AUGUST, 2011 AT 3.00 P.M. AT "NANI KALAI ARANGAM" MANI HIGHER SECONDARY SCHOOL PAPPANAICKENPALAYAM, COIMBATORE - 641 037.

No. of shareholders present : 236

Sri.R.Venkatrangappan, Chairman presided over the meeting.

The Chairman welcomed the shareholders assembled and introduced the Directors on the dais.

The Chairman further informed that 42 proxies for 38,83,418 equity shares were received, scrutinized and found in order and this accounts for 34.47 % of the equity capital.

The Register of Directors' shareholding maintained by the Company under Section 307 of the Companies Act, 1956, was produced at the commencement of the Meeting and kept open for inspection and accessible during the continuance of the Meeting.

With the unanimous consent of all the shareholders present, the Chairman informed that the Notice convening the Meeting was taken as read.

The Auditors' Report was read out by the Auditors of the Company.

Then the subjects in the Agenda were taken up.

ORDINARY BUSINESS :

1. The Chairman proposed that the Directors' Report, Auditors' Report, the audited Profit and Loss Account for the year ended 31st March, 2011 and the audited Balance Sheet as at that date be adopted.

The Chairman invited the shareholders for their queries. After answering the queries by the Chairman, the motion was seconded by Sri.V.S.Sivakolundu and the following Resolution was passed unanimously as an ordinary resolution

"RESOLVED that the Directors' Report, Auditors Report and the Profit & Loss Account for the financial year ended 31st March, 2011 and the Balance Sheet as at that date be and is hereby adopted."

2. Proposed by Mrs.P.Kasthuri and seconded by Sri.L.Ellusamy, the following Resolution was passed unanimously as an Ordinary Resolution :

"RESOLVED that a dividend of Rs.30/- per equity share of Rs.10/- each fully paid up , be declared and paid out of the profits of Company for the financial year ended 31st March, 2011 to the shareholders whose name

appear on the Register of Members of the Company as on 10th August, 2011 for those holding shares in physical form and as per the details furnished by the Depositories for this purpose as at the end of business hours on 1st August, 2011 in respect of the shares held in demat form, without deduction of tax".

3. Proposed by Sri.V.N.Ramesh and seconded by Sri.N.Ramachandran the following resolution was passed as an ordinary resolution :

RESOLVED that Justice Sri.G.Ramanujam(Retd.), Director liable to retire by rotation at this Annual General Meeting, though eligible, does not seek re-election, be not appointed as Director of the Company.

RESOLVED FURTHER that the vacancy so created on the Board of Directors be not filled.

4. Proposed by Sri.M.Sivasamy and seconded by Sri.T.N.Swaminathan the following resolution was passed as an ordinary resolution :

RESOLVED that Justice Sri.S.Natarajan(Retd.), Director liable to retire by rotation at this Annual General Meeting, though eligible, does not seek re-election, be not appointed as Director of the Company.

RESOLVED FURTHER that the vacancy so created on the Board of Directors be not filled.

5. Proposed by Sri.M.Balakrishnan and seconded by Sri.D.Devaraj the following Resolution was passed unanimously as a Special Resolution.

"RESOLVED that M/s. M.S.Jagannathan & Visvanathan and M/s. Subbachar and Srinivasan, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office till the conclusion of the next Annual General Meeting on a total remuneration of Rs.15,00,000/- (Rupees fifteen lakhs only) for their services, payable equally to them. In addition, they are eligible for reimbursement of actual travelling and out of pocket expenses and taxes if any, incurred by them."

SPECIAL BUSINESS :

6. Proposed by Sri.V.S.Arunachalam and seconded by Sri.P.Rajkumar the following Resolution was passed unanimously as a Special Resolution.

"RESOLVED that Sri.Aditya Himatsingka, who was appointed as Additional Director by the Board of Directors at the meeting held on 25.10.2010 would hold office up to this Annual General Meeting as per Sec.260 of the Companies Act, 1956 and in respect of whom the Company has received a nomination from a member u/s 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as Director of the Company and is liable to retire by rotation."

7. Proposed by Sri.K.Mohanakumarasamy and seconded by Sri.G.Devaraj the following Resolution was passed unanimously as a Special Resolution.

"RESOLVED that Dr.Mukund Govind Rajan, who was appointed as Additional Director by the Board of Directors at the meeting held on 25.10.2010 would hold office up to this Annual General Meeting as per Sec.260 of the Companies Act, 1956 and in respect of whom the Company has received a nomination from a member u/s 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as Director of the Company and is liable to retire by rotation."

8. Proposed by Sri.C.R.Shivkumaran and seconded by Sri.S.Senthilkumar the following Resolution was passed unanimously as a Special Resolution.

"RESOLVED that Sri.R.Rajendran, who was appointed as Additional Director by the Board of Directors at the meeting held on 31.01.2011, would hold office up to this Annual General Meeting as per Sec.260 of the Companies Act, 1956 and in respect of whom the Company has received a nomination from a member u/s 257 of the Companies Act, 1956 proposing his candidature for the office of Director be and is hereby appointed as Director of the Company and is not liable to retire by rotation."

9. Proposed by Sri.R.Nagaraj and seconded by Sri.S.Mohanram the following Resolution was passed unanimously as a Special Resolution.

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 349 and 350 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any amendments, modifications and re-enactments thereof Sri.Sanjay Jayavarthanavelu be and is hereby reappointed as Managing Director of the Company for a further period of five years from 01.06.2012 to 31.05.2017 on the terms and conditions set out below:"

Remuneration:

- i) Salary : Rs. 9,00,000/- p.m.
ii) Commission : 2% of the net profits payable annually

iii) Perquisites :

In addition to the salary and commission, the Managing Director shall also be entitled to interchangeable perquisites like 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, such perquisites being restricted to the amount equal to the salary drawn per annum. For the purpose of calculating the above ceiling, perquisites shall be evaluated 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 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.

The Minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of office shall be as per Schedule XIII of the Companies Act, 1956.

10. Proposed by Sri.N.Krishnakumar and seconded, by Smt.Chandra the following Resolution was passed unanimously as a Special Resolution.

"RESOLVED that in accordance with the provisions of Sec.198, 269, 309, 349 and 350 read with Sch.XIII and other applicable provisions, if any, of the Companies Act, 1956 including amendments, modifications and re-enactments thereof Sri.R.Rajendran be and is hereby appointed as Director Finance for a period of three years from 02.02.2011 on the terms and conditions set out below".

a) Salary : Rs.4,00,000 /- p.m.

b) Perquisites : In addition to the salary he is entitled to the following perquisites:

- i) House rent allowance : Rs 2,00,000 per month
- ii) Leave Travel Assistance : two months basic salary, per annum
- iii) Medical benefits : one month basic salary, per annum
- iv) Other perquisites : gas, electricity, water, club fees at actual.

For the purpose of calculating the ceiling, perquisites shall be evaluated 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 Director Finance is entitled to encashment of leave at the end of tenure which shall not be included in the computation of the ceiling on remuneration or perquisites.

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 Director Finance.

The minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of office shall be as per Schedule-XIII of the Companies Act, 1956.

11. Proposed by Sri.C.Sundararajan and seconded by Sri.N.Mani the following Resolution was passed unanimously as a Special Resolution.

RESOLVED that in supersession of the Special Resolution passed at the Annual General Meeting held on 27.07.2009 relating to the delisting of the equity shares of the Company from Madras Stock Exchange Limited(MSE). Consent of the Company be and is hereby accorded for the withdrawal of the delisting application pending with MSE in view of the benefits of continued listing in MSE.

RESOLVED FURTHER that Board of Directors of the Company be are hereby authorized to take necessary steps for the withdrawal of the application for delisting submitted to MSE.

There being no other business the meeting concluded with a vote of thanks to the Chair.

(R.VENKATRANGAPPAN)
CHAIRMAN

/CERTIFIED TRUE COPY/
For LAKSHMI MACHINE WORKS LIMITED


(K. DURAISAMI)
Company Secretary