



Our Ref: Sec/270/2023

Date: 29.05.2023

To,

BSE Limited  
Listing Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai-400 001  
Scrip Code: 500252

National Stock Exchange of India Limited  
Listing Department  
Exchange Plaza, C-1, Block-G, Bandra Kurla Complex  
Bandra(E), Mumbai - 400 051.  
Symbol: LAXMIMACH

Dear Sirs,

**Sub: Secretarial Compliance Report of the Company for the year ended 31<sup>st</sup> March 2023 as required under Regulation 24(A) of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015**

We are enclosing herewith the Secretarial Compliance Report of the Company for the year ended 31<sup>st</sup> March 2023 as required under Regulation 24(A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as provided by M/s. MDS & Associates LLP, Company Secretaries, Coimbatore.

Kindly take the same on record and acknowledge receipt.

Thanking you,

**FOR LAKSHMI MACHINE WORKS LIMITED**

**C R SHIVKUMARAN  
COMPANY SECRETARY**

**CORPORATE OFFICE:** 34-A, Kamaraj Road, Coimbatore - 641 018. Phone: +91 422 7198100. Fax: +91 422 2220912

**REGISTERED OFFICE:** Perianaickenpalayam, Coimbatore - 641 020, India. Website: [www.lmwglobal.com](http://www.lmwglobal.com)

GSTIN: 33AAACL5244N1ZF CIN: L29269TZ1962PLC000463



**Secretarial Compliance Report of M/s. Lakshmi Machine Works Limited  
for the financial year ended 31<sup>st</sup> March 2023**

*[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February 2019 (as amended) read with relevant circulars issued by the Stock Exchange(s)]*

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **M/s. Lakshmi Machine Works Limited** (CIN: L29269TZ1962PLC000463) (hereinafter referred as 'the listed entity'), having its Registered Office at SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore – 641 020, Tamil Nadu. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide our observations thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the financial year ended on 31<sup>st</sup> March 2023, complied with the statutory provisions listed hereunder, in the manner and subject to the reporting made hereinafter:

We, **MDS & Associates LLP, Company Secretaries**, have examined:

- (a) all the documents and records made available to us, and explanation provided by **M/s. Lakshmi Machine Works Limited**,
- (b) the filings/ submissions made by the listed entity to BSE Limited and National Stock Exchange of India Limited ("the stock exchanges"),
- (c) website of the listed entity
- (d) any other document / filing, as may be relevant, which has been relied upon to make this report

for the financial year ended 31<sup>st</sup> March 2023 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and



the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI")

The specific Regulations as applicable to the listed entity, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

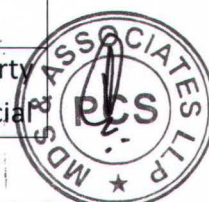
- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- (e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and
- (f) circulars/ guidelines issued thereunder

and based on the above examination, we hereby report that, during the review period,

I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

(b) The listed entity has taken the following actions to comply with the observations made in the previous report for the year ended 31<sup>st</sup> March 2022.

|                                 |   |
|---------------------------------|---|
| <b>Sr. No.</b>                  | 1   |
| <b>Compliance Requirement</b>   | Regulation 23(4) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that all material related party transactions shall require the approval of the shareholders through a resolution |
| <b>Regulation/ Circular No.</b> | Regulation 23(4) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015   |
| <b>Deviations</b>               | The Company has entered into material related party transactions with one of its related parties during the financial   |



|   |   |
|---|---|
|   | year 2021-22 for which the approval of the shareholders was not obtained  |
| <b>Action Taken by</b>                  | Not Applicable  |
| <b>Type of Action</b>                   | Not Applicable  |
| <b>Details of violation</b>             | Not Applicable  |
| <b>Fine Amount</b>                      | Not Applicable  |
| <b>Observations/ Remarks of the PCS</b> | The Company obtained the approval of the shareholders through postal ballot in May-June 2022.   |
| <b>Management Response</b>              | <p>The transactions of the Company with one of its related parties had exceeded the material related party transaction threshold during the period under review. The total consolidated turnover of the Company for the immediately preceding Financial Year 2020-21 was Rs. 1,727.38 Crores. The turnover for the year ended 31<sup>st</sup> March 2021 was hit by COVID-19, which led to closure of business activities during the first quarter of that financial year.</p> <p>It is also to be noted that the transactions with the related party have exceeded the threshold limit during the quarter ended 31<sup>st</sup> March 2022 when the Company saw an increase in business, due to robust demand from end users of products especially in the textiles and machine tool verticals. Also, sanctions based on geopolitical developments contributed to increased demand for products from India, including that of the Company. Further global shortage of commodities meant that during Financial Year 2021-22 there was an overall increase in prices of inputs like iron and steel etc., which also increased the transaction values. Added to this, the logistics cost for the Company had also increased significantly during the period cited above.</p> <p>Therefore, in a nutshell, due to the changing economic position, in the last two years</p> <p>(a) the benchmark figure to determine material related party transactions (for the year ended 31<sup>st</sup> March 2022) dipped to Rs. 172.74 Crores; and</p> <p>(b) the value of transactions with one of the related parties</p> |



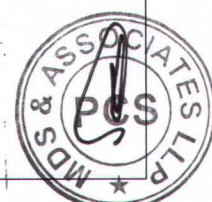
|                |  |
|----------------|--|
|                | <p>increased tremendously due to robust demand and increase in cost(s).</p> <p>As a result of which, the aggregate value of transaction with one of the related parties exceeded the threshold limit of 10% of consolidated turnover of the Company during the quarter ended 31<sup>st</sup> March 2022. For all the years prior to 31<sup>st</sup> March 2022, the said transactions with the said party have never crossed the materiality threshold.</p> <p>Prior approval for related party transactions as stated in Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 came into force with effect from 1<sup>st</sup> April 2022 for prospective transactions and accordingly, the Company has sought and obtained the approval of the shareholders for transactions prior to 1<sup>st</sup> April 2022 through postal ballot on 19<sup>th</sup> June 2022.</p> |
| <b>Remarks</b> | Nil  |

**II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October 2019:**

| Sr. No. | Particulars  | Compliance status (Yes/No/NA) | Observations/ Remarks by PCS*                    |
|---------|--|-------------------------------|--|
| 1.      | <b>Compliances with the following conditions while appointing/re-appointing an auditor</b>   |                               |  |
|         | <p>I. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p>II. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p>III. If the auditor has signed the limited review/ audit report for the first three</p> | NA                            | During the review period, there is no such event |



| Sr. No.   | Particulars  | Compliance status (Yes/No/NA) | Observations/Remarks by PCS*                            |
|-----------|--|-------------------------------|---|
|           | <p>quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>   |                               |   |
| <b>2.</b> | <b>Other conditions relating to resignation of statutory auditor</b>   |                               |   |
|           | <p>Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor</p> | <p>NA</p>                     | <p>During the review period, there is no such event</p> |



| Sr. No. | Particulars   | Compliance status (Yes/No/NA) | Observations/ Remarks by PCS*                    |
|---------|---|-------------------------------|--|
|         | <p>relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information:<br/>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p> |                               |  |
| 3.      | The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 <sup>th</sup> October 2019.   | NA                            | During the review period, there is no such event |

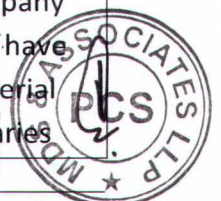
*Note: During the year 2021-2022, M/s. S. Krishnamoorthy & Co., Chartered Accountants (Firm Registration No. 0014965) were appointed as the statutory auditors of the Company for a period of 5 years to hold office from the financial year 2021-22 to 2025-26 and the terms of their appointment were in compliance of Para 6(A) and 6(B) of Circular No. CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October 2019 issued by the Securities and Exchange Board of India.*

III. We hereby report that, during the review period, the compliance status of the listed entity is appended as below:

| Sr. No. | Particulars   | Compliance status (Yes/No/NA) | Observations/ Remarks by PCS* |
|---------|---|-------------------------------|-------------------------------|
| 1.      | <p><b>Secretarial Standards:</b><br/>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI) as notified by</p> | Yes                           | Nil                           |



| Sr. No. | Particulars   | Compliance status (Yes/No/NA) | Observations/ Remarks by PCS*   |
|---------|---|-------------------------------|---|
|         | the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.   |                               |   |
| 2.      | <b><u>Adoption and timely updation of the Policies:</u></b>   |                               |   |
|         | <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities.</li> </ul>  | Yes                           | Nil   |
|         | <ul style="list-style-type: none"> <li>All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/ circulars/ guidelines issued by SEBI</li> </ul>             | Yes                           | Nil   |
| 3.      | <b><u>Maintenance and disclosures on Website:</u></b>   |                               |   |
|         | <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> </ul>   | Yes                           | Nil   |
|         | <ul style="list-style-type: none"> <li>Timely dissemination of the documents/ information under a separate section on the website</li> </ul>  | Yes                           | Based on the representation received from the management, it is noted that the documents/ information has been disseminated in a timely manner. |
|         | <ul style="list-style-type: none"> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</li> </ul> | Yes                           | Nil   |
| 4.      | <b><u>Disqualification of Director:</u></b>   |                               |   |
|         | None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity  | Yes                           | Nil   |
| 5.      | <b><u>Details related to subsidiaries of listed entities have been examined with respect to:</u></b>  |                               |   |
|         | a) Identification of material subsidiary companies  | Yes                           | The Company does not have any material subsidiaries   |





| Sr. No. | Particulars   | Compliance status (Yes/No/NA) | Observations/ Remarks by PCS*                       |
|---------|---|-------------------------------|---|
|         | b) Disclosure requirements of material as well as other subsidiaries  | Yes                           | The Company does not have any material subsidiaries |
| 6.      | <b><u>Preservation of Documents:</u></b><br>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015. | Yes                           | Nil   |
| 7.      | <b><u>Performance Evaluation:</u></b><br>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year / during the financial year as prescribed in SEBI Regulations                     | Yes                           | Nil   |
| 8.      | <b><u>Related Party Transactions:</u></b><br>a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions.  | Yes                           | Nil   |
|         | b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.   | NA                            | Nil   |
| 9.      | <b><u>Disclosure of events or information:</u></b><br>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.                                  | Yes                           | Nil   |
| 10.     | <b><u>Prohibition of Insider Trading:</u></b><br>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015   | Yes                           | Nil   |



| Sr. No. | Particulars  | Compliance status (Yes/No/NA) | Observations/ Remarks by PCS* |
|---------|--|-------------------------------|-------------------------------|
| 11.     | <p><b><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></b><br/>                     No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder</p> | Yes                           | Nil                           |
| 12.     | <p><b><u>Additional Non-compliances, if any:</u></b><br/>                     No additional non-compliances observed for any SEBI regulation/ circular/ guidance note etc.</p>   | Yes                           | Nil                           |

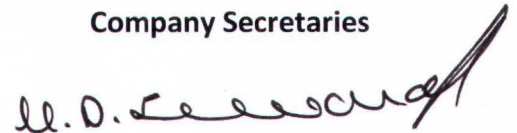
**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**For MDS & Associates LLP  
Company Secretaries**

Place: Coimbatore

Date: 24.05.2023



**M D Selvaraj**

**Managing Partner**

**FCS No.: 960; C P No.: 411**

**Peer Review No. 3030/2023**

**UDIN: F000960E000354126**

