

M. LOKESWARA RAO

**B-5, Madhuranagar,
S.R. Nagar, Hyderabad- 500 038
Tel. NO. - 9848436999**

Dated: 30th December, 2019

TO

The Bombay Stock Exchange Limited Department of Corporate Services Floor 25, PJ Towers, Dalal Street Mumbai-400001 Scrip Code: 532740	National Stock Exchange of India Limited Listing Department Plot No. C/1, G Block, Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai- 400051 Company Code: LOKESHMACH
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Dear Sir,

Sub: Disclosure of reasons for encumbrance of shares by Promoters of Lokesh Machines Limited pursuant to SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011

Kindly find the enclosed herewith additional disclosure in Annexure II under Regulation 31(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 as per SEBI circular No.SEBI/HO/CFD/DCR1/CIR/P/2019/90 on behalf of all promoters of the Company.

This is for your information and record.

Yours Faithfully,



**M. lokeshwara Rao
For and on behalf of all
Promoter/Promoters group
DIN: 00989447**

C/C
Company Secretary & Compliance Officer
Lokesh Machines Limited
B-29, EEIE, Stage-II
Balanagar, Hyderabad- 500 037

Annexure – II
Format for disclosure of reasons for encumbrance
(In addition to Annexure – I prescribed by circular dated August 05, 2015)

Name of listed company	LOKESH MACHINES LIMITED
Name of the recognised stock exchanges where the shares of the company are listed	Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE)
Name of the promoter(s) / PACs whose shares have been encumbered	Bollineni Kishore Babu Mullapudi Srikrishna Mullapudi Srinivas Mullapudi Kanakadurga Mullapudi Lokeswara Rao Mullapudi Vijayalakshmi
Total promoter shareholding in the listed company	No. of shares – 8973005 % of total share capital – 50.14%
Encumbered shares as a % of promoter shareholding	50.55%
Whether encumbered share is 50% or more of promoter shareholding	YES/NO
Whether encumbered share is 20% or more of total share capital	YES/NO

Details of all the existing events/arrangements pertaining to encumbrance

	Encumbrance 1 (Date of creation of encumbrance: 28.12.2019 02.11.2017)	Encumbrance 2 (Date of creation of encumbrance: 26.12.2019 24.08.2016 23.12.2013 06.06.2013 26.12.2011 22.07.2011 18.11.2009 12.10.2009)
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)	Pledge of Shares	Pledge of Shares
No. and % of shares encumbered	No. of shares: 6,20,000 % of total share capital: 3.46%	No. of Shares: 8,90,735 % of total share capital: 4.98%

		Encumbrance 1 (Date of creation of encumbrance: 28.12.2019 02.11.2017)	Encumbrance 2 (Date of creation of encumbrance: 26.12.2019 24.08.2016 23.12.2013 06.06.2013 26.12.2011 22.07.2011 18.11.2009 12.10.2009)
	Name of the Pledgor :	Mullapudi Lokeswara Rao Mullapudi Srikrishna Mullapudi Kanakadurga Mullapudi Srinivas	Mullapudi Lokeswara Rao Mullapudi Vijayalakshmi Mullapudi Srinivas
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Mapakshi Murali Reddy	Tanvi Financial Services Pvt. Limited
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	YES/NO Individual	YES/NO
	Names of all other entities in the agreement	Listed company and its group companies (if any) – NIL Other entities (if any) – NIL	Listed company and its group companies (if any) – NIL Other entities (if any) – NIL

	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	<p>Encumbrance 1 (Date of creation of encumbrance: 28.12.2019 02.11.2017)</p> <p>YES / NO If yes, 1. Name of the issuer 2. Details of the debt instrument. 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument</p>	<p>Encumbrance 2 (Date of creation of encumbrance: 26.12.2019 24.08.2016 23.12.2013 06.06.2013 26.12.2011 22.07.2011 18.11.2009 12.10.2009)</p> <p>YES / NO If yes, 1. Name of the issuer 2. Details of the debt instrument. 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument</p>
Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	Rs. 2.80 Cr	Rs. 3.04 Cr
	Amount involved (against which shares have been encumbered) (B)	Rs. 2.1 Cr	Rs. 3.62 Cr
	Ratio of A / B	1.34	0.84

		Encumbrance 1 (Date of creation of encumbrance: 28.12.2019 02.11.2017)	Encumbrance 2 (Date of creation of encumbrance: 26.12.2019 24.08.2016 23.12.2013 06.06.2013 26.12.2011 22.07.2011 18.11.2009 12.10.2009)
End use of money	Borrowed amount to be utilized for what purpose – (a) Personal use by promoters and PACs (b) For the benefit of listed company Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc. (a) Any other reason (please specify)	Shares are pledged for personal borrowing purpose. Due to expiry of the pledge period the shares were released and again pledged i.e. Renewal of Pledge for the existing borrowings.	Shares are pledged for personal borrowing purpose. Additional 47,000 shares were pledged towards the existing borrowings.

Signature of Authorized Signatory:



Mullapudi Lokeswara Rao
Promoter

Place: Hyderabad
Date: 30/12/2019