



September 03, 2024

**To
BSE Limited
Department of Corporate Services
Floor 25, PJ Towers,
Dalal Street, Mumbai- 400001**

**To
National Stock Exchange of India Limited
Listing Department
Plot No. C/1, G Block, Exchange Plaza,
Bandra Kurla Complex, Bandra(E),
Mumbai- 400051**

Scrip Code: 532740

Company Code: LOKESHMACH

Dear Sir/Madam,

Sub: Annual Report for the financial year 2023-24.

Pursuant to regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report along with Notice of 40th Annual General Meeting for the financial year 2023-24.

The Annual Report along with Notice of 40th Annual General Meeting for the financial year 2023-24 is being sent to all shareholders whose email IDs are registered with the RTA/Depositories and is also being made available on the Company's website at <https://www.lokeshmachines.com/>.

This is for your information and record.

Thanking You,

**Yours sincerely,
For Lokesh Machines Limited**

**Gurprit Singh
Company Secretary & Compliance Officer**

Encl.: a/a

The Driving Force of Indian Auto Industry



**Lokesh
Machines Limited**

Integration Meets Diversification: For Engineering Excellence

LOKESH MACHINES LIMITED
ANNUAL REPORT 2023-24

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Investor Information	
Market Capitalisation	₹ 685.58 Cr
CIN	L29219TG1983PLC004319
BSE Code	532740
NSE Symbol	LOKESHMACH
Bloomberg Code	LOKM:IN
AGM Date	September 27, 2024
AGM Mode	Video Conferencing (VC)/Other Audio-Visual Means (OAVMs)

Disclaimer : This document contains statements about expected future events and financials of Lokesh Machines Limited ('the Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other 'forward-looking' statements may not prove to be accurate. Readers are cautioned not to place undue reliance on 'forward-looking' statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



Auto Components and Defence Division Review

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Human Resources

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For more investor-related information please visit <https://www.lokeshmachines.com/details-of-requirements-mentioned-in-sub-regulation-2-of-regulation-46-of-listing-regulation.php>

Or Simply Scan



Integration meets Diversification: *For Engineering Excellence*

The machine tools market is undergoing a seismic shift, spurred by increasing demands for engineering goods, exports, industrial automation, mass production, and rapid advancements in engineering. This transformation, accelerated by digital evolution, is redefining industry standards.

To thrive amid this transformation, Lokesh Machines Limited is pursuing a dual strategy. Our Company is blending cutting-edge technologies into our operations, modernising equipment, and embracing advanced automation to boost efficiency and maintain our competitive edge. Concurrently, we are diversifying our offerings by increasing production, launching innovative products, and exploring new markets, ensuring both opportunity and resilience.

By seamlessly blending technological integration with strategic diversification, we exemplify how our theme—Where Integration Meets Diversification—drives engineering excellence and positions us at the forefront of the dynamic machine tools landscape.

Highlights of the Fiscal

₹ 293.54 Cr.

Revenue

^ 22.15%

₹ 42.00 Cr.

EBITDA

^ 28.28%

₹ 13.85 Cr.

PAT

^ 43.23%

₹ 195.99 Cr.

Net Worth

^ 23.29%



About Us

Integrating Legacy with Innovation

Lokesh Machines Limited (referred to as 'Lokesh Machines', 'Our Company' or 'We') stands as a testament to the power of integration meeting diversification. Our persistent commitment to engineering excellence is reflected through our broad-spectrum manufacturing prowess, adeptly serving both automotive and non-automotive sectors. Through relentless innovation and consistent dedication to quality, we have established ourselves as industry leaders, constantly raising the bar.



OUR LEGACY

Established in 1983, we are India's premier machine tool manufacturer, renowned for our expertise in Cam & Crank Borers, Fine Borers, and Finish Milling Machines. Our legacy is anchored in a tradition of innovation and reliability, consistently providing cutting-edge machine tools to both local and global markets.

With six state-of-the-art manufacturing facilities in Hyderabad and Pune, our sophisticated infrastructure and advanced technology underscore our firm commitment to excellence.

Over the years, our CNC machines have garnered significant acclaim and have made notable inroads into international markets, including Japan, Germany, the Netherlands, Italy, Turkey, Russia, and recently the USA.

Our Ethos



OUR MISSION

To champion high-quality and reliable products through manufacturing and machining services

By providing innovative and cost-effective solutions satisfying all stakeholders in a unique manner



OUR CORE VALUES

Accept Challenge

We always attempt 'Dare to Do'. Our team is motivated to deliver challenges. We accept, create, and deliver to satisfaction of our customers.

Customer Centricity

Our customer relationship is built on transparency. We respond to demanding needs of our customers even against all odds creating value for both.

Create Uniqueness

Our customers will experience our products and services as unique in the marketplace leading to long-term relationship.

Entrepreneurial Mindset

Our people are entrusted with freedom to experiment, drive initiatives, take decisions and innovate based on competency. We will continuously invest in building talent.



Industry Edge

Harnessing Integration for Competitive Superiority



Expertise in Machine Tool Manufacturing

With four decades of expertise in designing and developing an extensive array of machine tools, we offer customised solutions that address the unique demands of various industries with unmatched accuracy.



Focus on Technology and Innovation

In last four decades, we have significantly invested in research and development, ensuring we remain at the forefront of technological evaluation. Our commitment to continuous enhancement guarantees the provision of advanced solutions.



Design and Development

Our robust design team, strengthened by specialised research and development (R&D) facilities, is adept at managing the complexities across our diverse business sectors.



Commitment to Quality

We uphold rigorous quality benchmarks throughout our manufacturing process. Our products are engineered to surpass customer expectations in performance, dependability, and durability.



Strong Customer Base

We have cultivated a devoted clientele spanning the automotive, defence, and general engineering sectors. Our superior, reliable, and high-performance machine tools consistently exceed client expectations.



Global Presence

Our expansive export network spans multiple countries, enhancing revenue diversification and mitigating market reliance. We are dedicated to broadening our international footprint, and strategically enhancing our global presence.

5,000+
Happy Clients

1,332+
Cumulative Employee Strength*

300+
Cumulative Years of Domain Expertise

*As of March 31, 2024



Experienced Leadership Team

Our leadership team, composed of seasoned industry experts, possesses profound insights into the machine tool sector. They deliver exceptional guidance and strategic direction, driving our sustained growth and success.



Robust Corporate Governance

We uphold stringent standards of corporate governance, prioritising transparency and accountability. Our firm dedication to ethical practices safeguards the interests of all stakeholders with integrity.



Focus on Sustainability

We are devoted to advancing environmental excellence in every aspect of our operations. Our manufacturing techniques are meticulously crafted to reduce ecological impact, and we are continually evolving our processes to embrace cutting-edge, sustainable technologies and practices.



Product Portfolio

Melding Precision and Diversity for Varied Uses

At Lokesh Machines, our product suite exemplifies the zenith of synergy and diversification. We offer a vast array of state-of-the-art machine tools that seamlessly merge exactitude with avant-garde solutions. This confluence of advanced technology and varied expertise ensures we deliver superior engineering prowess, precisely attuned to meet the unique demands of a brand spectrum of industries.

Machine Tools Division

General Purpose Machines



Products

- ▶ CNC Turning Centres
- ▶ Vertical Machining Centres
- ▶ Drill and Tap Centres
- ▶ Vertical Turning Lathe
- ▶ Horizontal Machining Centres
- ▶ Multi-Axis Milling and Turning machines

Application Industries

55%
General Industries & Exports

40%
Auto Ancillaries

5%
Automobile OEM

Special Purpose Machines



Products

- ▶ Finish Milling Machines
- ▶ Gun Drilling and Multi Spindle Drilling machines
- ▶ Fine Boring Machines
- ▶ Transfer Lines

Application Industries

80%
Automobile OEM

20%
Automotive Tier I

Automation



Products

- ▶ Gantry Automation
- ▶ Robotic Automation
- ▶ 4th Axis Automation
- ▶ Customisation of Standard Machines

Auto Components and Defence Division

Auto Components

- ▶ Cylinder Blocks
- ▶ Cylinder Heads
- ▶ Connecting Rods
- ▶ Forgings



Defence

- ▶ 9x19 Sub Machine Gun
- ▶ 7.62x51 Light Machine Gun





Milestones

Celebrating Achievements in Engineering

At Lokesh Machines, our milestones are more than just markers—they are a vivid representation of our philosophy of integration and diversification. Each victory is a testament to our pursuit of engineering perfection through innovative technology and strategic global outreach. These landmark achievements not only celebrate our progress but also enhance our stature as leaders in the machine tool field.

1983

Incorporated Lokesh Machines Limited

1986

Commenced commercial production of Special Purpose Machines (SPMs)

1993

Provided turnkey SPMs for cylinder blocks & cylinder heads to Ashok Leyland Hino Engines

1996

Developed first component manufacturing line for supply of machined cylinder blocks to M&M

1997

Introduced CNC machines

1999

Established second component manufacturing line for supply of machined cylinder blocks to M&M tractor division

2000

- ▶ Supplied complete turnkey SPMs to M/s John Deere for their cylinder block manufacturing plant
- ▶ Delivered third line of machined cylinder blocks to M&M for Scorpio & Arjun Tractors
- ▶ Recognised as India's first Company to manufacture 5 Axis horizontal borers and export to M/s FPT of Italy

2003

Received certification of QS9000 for component division

2004

Acknowledged as India's first Company to manufacture and export high speed vertical machining centres to Japan for M/S HOWA Machinery Corporations

2005

Awarded certification of TS 16949 for component division

▶ Launched IPO

▶ Listed on BSE/ NSE



2015

Developed seventh line for machining 3-cylinder blocks for M&M

2014

Built connecting rod line 1 facility to machine fracture connecting rods at Ranjangaon, Pune

2013

Recognised as India's and Asia's first Company to supply complete cylinder head manufacturing SPMs for EURO 6 Engines: Customer M/s Volvo Eicher

2012

Initiated formal inauguration of the Ranjangaon plant

2011

- ▶ Commenced new plant at Ranjangaon, Pune
- ▶ Established sixth line for supply of 2-cylinder blocks to M&M Chakan from Ranjangaon, Pune

2010

Developed fifth line for supply of machined cylinder heads to Mahindra Heavy trucks

2009

Established fourth line for supply of mustang model cylinder blocks to M&M

2024

- ▶ Unveiled India's first indigenous laser-based direct energy deposition hybrid additive manufacturing machine for metals
- ▶ Supplied pilot lot of CNC machines to the USA
- ▶ Delivered approximately 100 weapon sets to various forces

2023

Secured manufacturing license for small arms

2020-2022

- ▶ Forayed into defence and aerospace space
- ▶ Received AS 9100 Certification for aerospace division

2019

Received ISO 14001 Certification from M/s TUV Nord

2016

- ▶ Tied up with Taiwan-based Tongtai to manufacture the hi-speed vertical machining centre model EZ5
- ▶ Entered into an agreement with Austria-based EMCO GmbH for selling high-end technology machines
- ▶ Connecting rod line 2 state-of-the-art facility to machine fracture connecting rods at Ranjangaon Pune

Capability

Expanding Horizons with Strategic Prowess

Lokesh Machines has firmly established itself as a powerhouse in both domestic and international markets, carving out a significant presence across a wide array of industries and regions. Backed by a dynamic network of distributors and strategic partnerships, we are committed to continually expanding our horizons through innovative practices and solutions designed to meet our customers' needs.



14+

Countries Export Presence

6

State-of-the-Art Manufacturing Plants

Capacity Highlights

70%

Overall Capacity Utilisation

13

Auto Components and Defence Division Products

30

Machine Tool Division Products

12,000

Units per Year Production Capacity in Defence Division

1,400

Units per Year Production Capacity in Machine Tools Division

3 Mn

Units per Year Production Capacity in the Auto Components

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, Officers or Employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.



01 Germany

02 The Netherlands

03 Kuwait

04 Saudi Arabia

05 Nepal

06 United Arab Emirates (UAE)

07 Bangladesh

08 Japan

09 South Africa

10 Bahrain

11 USA

Managing Director's Perspective



“

At Lokesh Machines, we have consolidated our position as one of the leading player in the industry, adeptly adapting to the evolving business landscape.

”

Driving Innovation.
Embracing Transformation.

Achieving Engineering Excellence.

Esteemed Shareholders,

With immense pleasure, we present our annual report for the fiscal year 2023-24, capturing the essence of our remarkable achievements and forward strides throughout the year. As we celebrate four decades of unparalleled dedication to our industry, we extend our heartfelt gratitude to our customers, dealers, partners, Board of Directors, and all our stakeholders. Your consistent trust and firm support have been pivotal to our enduring success and growth.

Economic Perspective

The year 2023-24 unfolded against a backdrop of global economic challenges, including the lingering effects of the pandemic, geopolitical tensions, and inflationary pressures. However, India's economy continued to demonstrate resilience, driven by robust domestic consumption, increased private spending, and government initiatives in infrastructure development and the revival of the service sector. India's position as the fastest-growing major economy remains intact, with promising prospects for comprehensive development across all sectors in the coming years.

Industrial Landscape

The machine tools market is poised for significant growth, fuelled by the increasing demand for industrial automation, mass production, and advancements in CNC machines and robotics. The automotive segment is witnessing a surge in demand for CNC machine tools, primarily due to the rising popularity of passenger vehicles. Notably the nonautomotive market is also investing heavily into advanced machines to meet the increasing demand within the country and overseas. Industry 4.0 is further driving digital transformation across the automotive value chain,

creating new opportunities for our products and solutions.

Our Performance During the Year

At Lokesh Machines, we have consolidated our position as one of the leading player in the industry, adapting to the evolving business landscape. Over our four decades of successful operation, we have navigated numerous challenges, including the Russia Ukraine war. In the last couple of years, we established a new division for the manufacture of defence and aerospace components. We are also actively pursuing emerging opportunities in various sectors, including automotive, defence, aerospace, and agriculture.

In 2023-24, we achieved a revenue of ₹ 293.54 Cr., representing a growth of 22.15 % compared to the previous year. Our EBITDA stood at ₹ 42.00 Cr., with a margin of 14.23 %. Profit after tax (PAT) for the year stood at ₹ 13.85 Cr., reflecting a growth of 43.23 %. As of March 31, 2024, our order book amounted to ₹ 216.36 Cr., indicating a strong pipeline for future growth.

Integrating across the Value Chain

We have embarked on a comprehensive modernisation programme, upgrading our mother machines with the latest generation equipment. This is an ongoing initiative and is set to be completed by mid-2025, ensuring our production capabilities remain state-of-the-art for the next decade and beyond. Furthermore, we are actively implementing IoT and automation technologies, supported by our SAP S4 HANA infrastructure, to drive data automation and operational efficiency.

We are proud to unveil India's first indigenous laser-based direct energy deposition hybrid additive manufacturing machine for metals, developed in collaboration with AIC IT-HUB and RRCAT University. This innovation reflects our commitment to technological advancement and addressing the evolving needs of our customers and the nation.

We increased our production capacity from 900 units to 1,400 units, a 55.56% growth, to meet the rising demand for our machine tools and support our strategic expansion, and we continue to expand for future growth. We launched a range of new multi-axis machines that were well-

received by the market, both domestically and internationally.

We strategically expanded our capabilities through backward integration into forging, enhancing our control over the supply chain and ensuring the highest quality standards for our auto components.

Diversifying for Sectoral Leadership

We have received the License for Commercial Production of Small Arms from the Ministry of Home Affairs (MHA) and dispatched approximately 100 weapon sets to various forces such as the NSG, Assam Rifles, and SAF. We are proud to be the first Company in India's private sector to indigenously manufacture and supply small arms to elite forces. In the first year of commercial production, we have added six marquee clients and anticipate further breakthroughs in the coming months.

Another notable achievement this year is the supply of a pilot lot of CNC machines to USA, which has been well received and paves the way for increased exports in the coming months.

Sustainability Focus

Sustainability is at the core of our business values. We have set ambitious goals for water and carbon neutrality, and our roadmap is well underway.

Our commitment to ESG principles is unwavering. We have focussed on rationalising power consumption, optimising the use of compressed air, and adopting environmentally friendly options. Our future plans include fulfilling 20-25% of our power needs through rooftop solar installations and implementing rainwater harvesting to conserve water.

People and Community

We are dedicated to people development and employee engagement through robust policies. Our focus on human capital ensures that our workforce is skilled, motivated, and aligned with our organisational goals.

Our community initiatives prioritise human development and skill development. We partnered with agencies to provide mid-day meals to children, ensuring their well-being and educational success. Our efforts aim to foster a more equitable and inclusive society, reflecting our sustainability focus.

Strategic Priorities

Our strategic priorities for 2023-24 included cost reduction initiatives, expansion into new territories, diversification of our product portfolio, product development, and building a competent leadership team to steer our Company towards continued success. We are pleased to report significant progress in each of these areas. The Company plans to fully utilise its newly increased production capacities to enhance efficiency and meet growing demand.

The Company further aims to boost revenue within the Defence Division by harnessing its expanded capacities, introducing new product lines, and capitalising on emerging opportunities in the sector. The Company will focus on launching new products and entering new territories to diversify its customer base and drive growth. Fast-tracking environmental, social, and governance (ESG) initiatives is one of the Company's key priorities to integrate sustainability into its operations and make a positive impact on society and the environment.

Way Forward

As an engineering-intensive manufacturing Company, we anticipate steady and measured growth in our machinery business, supported by our significant investments in capacity expansion. Additionally, our diversification efforts, particularly in the defence and aerospace sectors, are expected to accelerate growth. Our persistent focus on innovation and seamless execution will remain paramount as we continue to consolidate our core strengths and pursue new opportunities.

In Gratitude

In closing, I extend my heartfelt gratitude to all our stakeholders for their dedication, hard work, guidance, and unwavering trust in our endeavours. I look forward to our collective growth and success as we work together to realise our shared vision of becoming a prominent global player in the machine tool industry, leaving a positive impact on the world for generations to come.

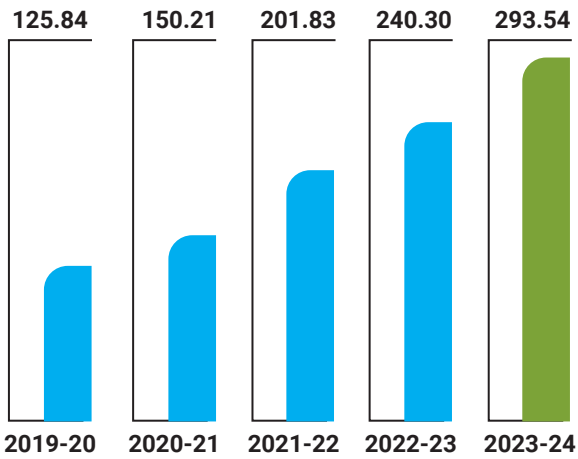
Warm Regards,

Mullapudi Lokeswara Rao
Managing Director

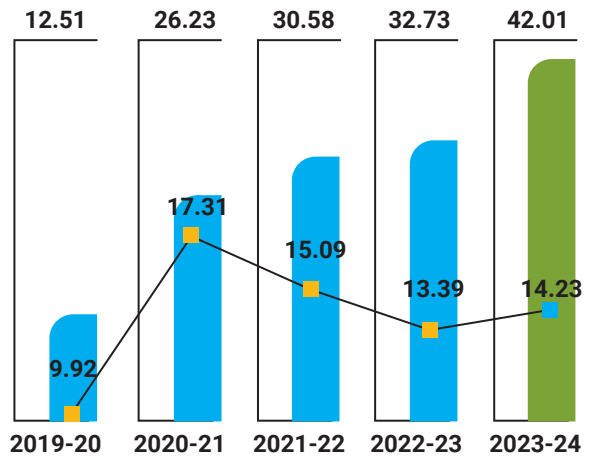
Key Performance Indicators

Evaluating Success across Diverse Engineering Disciplines

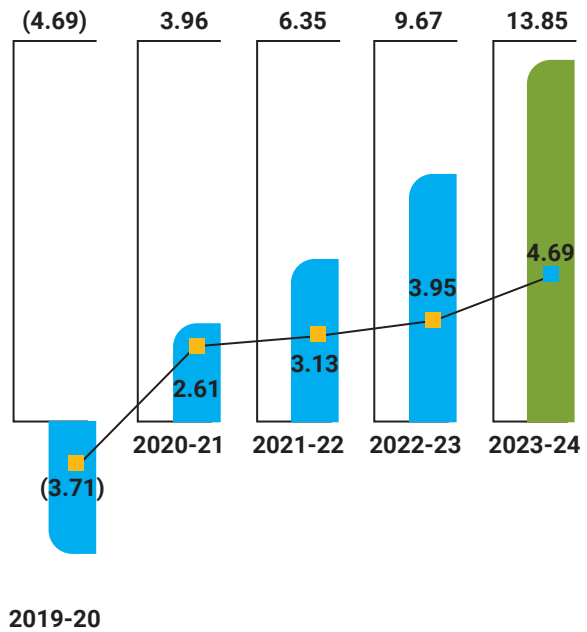
Revenue from Operations (₹ in Cr.)



EBITDA/EBITDA Margin Percentage (₹ in Cr./%)

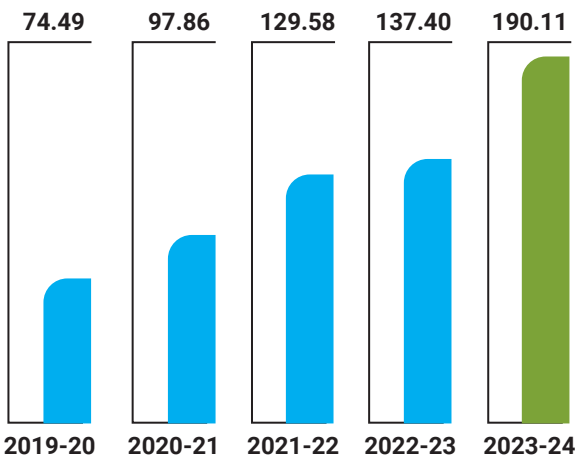


Profit after Tax (PAT)/PAT Margin Percentage (₹ in Cr./%)

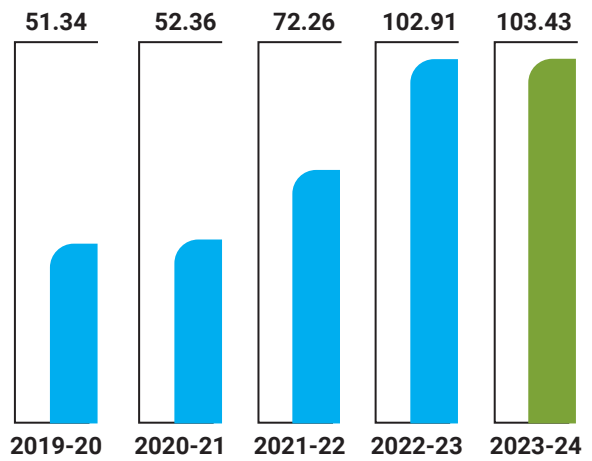


Segment-Wise Revenue

Machine Tools Division (₹ in Cr.)

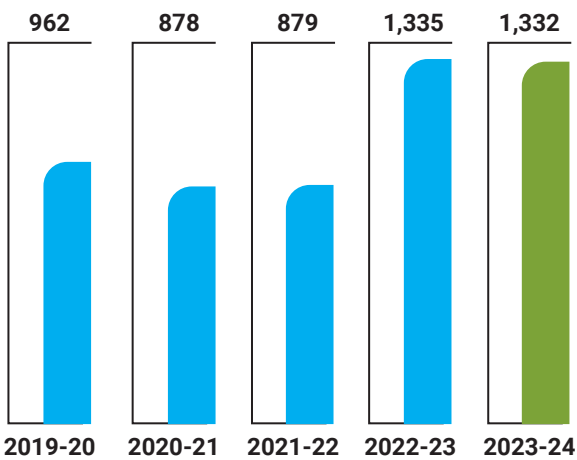


Auto Components and Defence Division (₹ in Cr.)

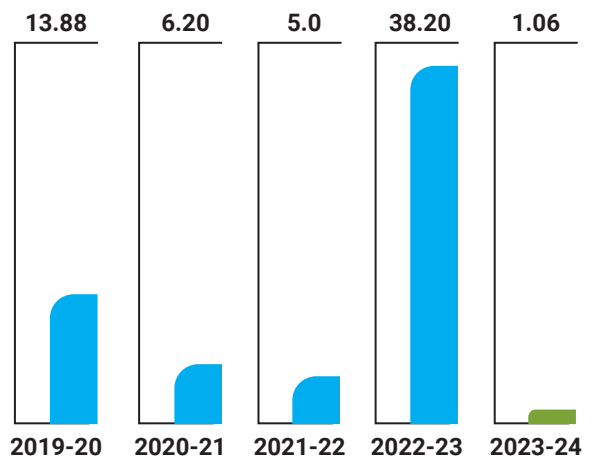


Non-Financial

Employees (in Nos.)



CSR Spend (₹ in Lakhs)





**Positioning India at
the Forefront of**

Global Manufacturing

India is poised to become a global manufacturing hub, setting its sights on a transformative boost in the sector's GDP contribution by 2025. The nation's exceptional export performance, particularly in engineering goods, underscores its growing prominence in international markets. With a diverse global supply chain, India attracts foreign enterprises seeking to expand production, driven by its vast consumer market, competitive labour costs, and political stability. Strategic government initiatives, including production-linked incentives, further strengthen India's position in the global value chain, promising a substantial leap in its share of global trade.

17%

Manufacturing Sector's Contribution to India's GDP in CY 2023



25%*

Manufacturing Sector's Contribution to India's GDP by CY 2025

(Source: Invest India)

USD 437.06 Bn

India's Manufacturing Exports in 2023-24



USD 835* Bn

India's Manufacturing Exports by 2029-2030

(Source: Nomura Report)

1.8%

India's Share of Global Trade in CY 2023



2.8%*

India's Share of Global Trade by CY 2030

(Source: Nomura Report)

*Projected

We are Ready!

Lokesh Machines operates in a dynamic milieu, characterised by robust demand across key sectors, including automotive, railways, aerospace, defense, and infrastructure. The machine tool market is experiencing steady expansion, propelled by these sectors' imperative for precise machining solutions. Our operational landscape is also shaped by the broader economic climate in India and international arenas, competitive pressures, and rapid technological advancements. We adeptly steer through these intricacies by leveraging our enhanced production capacities, launching pioneering products, and maintaining a vigilant focus on ESG (Environmental, Social, and Governance) principles. Moreover, our successful foray into the commercial production of small arms and our significant supply of CNC machines to USA, underscore our nimbleness and perseverance in a constantly shifting market landscape.

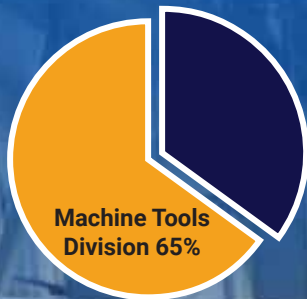


Machines Tools Division Review

Driving Engineering Excellence in Our Core Business

Our legacy business has a long-standing history of delivering high-quality, reliable machine tools to a diverse range of industries. We continued this tradition while embarking on a transformative journey. We significantly expanded our production capacity, diversified our product portfolio, and strengthened our presence in both domestic and international markets.

Revenue Contribution



Highlights of the Fiscal

Increased Capacity

Increased our production capacity from 900 units to 1,400 units, a 55.56% growth, to meet the rising demand for our machine tools and support our strategic expansion.



New Product Launches

Launched a range of new multi-axis machines that were well-received by the market, both domestically and internationally.



Expanded Export Footprint

Made significant inroads into new export markets, particularly in the USA.



The Way Forward

Looking ahead, we remain committed to delivering exceptional value to our customers. We are confident that our strategic focus on growth, innovation, and customer satisfaction will continue to drive our success in the years to come. Our key priorities for the current fiscal include:

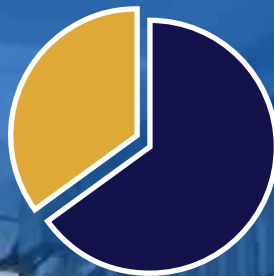
- ▶ Investing further in expanding production capacity to meet increasing demand and explore new market opportunities.
- ▶ Broadening our product portfolio for the development of premium segment machine tool technologies, for domestic and export markets.
- ▶ Committing to the development of cutting-edge machine tool technologies and expanding our product portfolio to address evolving customer needs.
- ▶ Prioritising customer satisfaction and fostering long-term relationships with our valued clients.
- ▶ Seeking new export markets and enhancing our presence in existing ones actively to reinforce our position as a global leader in the machine tool industry.

Auto Components and Defence Division Review

Pioneering Growth and Innovation in Automotive and Defence

The Auto Components and Defence Division is a leading provider of high-precision components and solutions for the automotive and defence industries. We continued to solidify our positioning through strategic initiatives, including backward integration into forging and leveraging our core competencies to expand our defence manufacturing capabilities. This synergistic diversification, coupled with our commitment to engineering excellence, innovation, and customer satisfaction. This will allow us to achieve significant growth in the years to come.

Revenue Contribution



Auto components and Defence Division 35%



Highlights of the Fiscal

Solidifying Positioning through Backward Integration

Expanded our capabilities strategically through backward integration into forging, enhancing our control over the supply chain and ensuring the highest quality standards for our auto components. We have set up a 1,600 Tonne Hot Forging line and further capacity expansion is underway this fiscal for our machine tools and support our strategic expansion.



Synergistic Diversification into Defence Manufacturing

Dispatched approximately 100 weapon sets to various forces, making us the first Indian private sector company to indigenously manufacture and supply small arms to elite forces.



Expansion into New Markets

Entered new markets, particularly in the Asia-Pacific region, to capitalise on the growing demand for precision engineering solutions in both the automotive and defence sectors.



The Way Forward

Looking ahead, our commitment to delivering value through innovation, quality, and customer satisfaction remains unwavering. Our strategic focus on these areas, coupled with successful diversification into defence manufacturing, positions us for continued growth and success. We are dedicated to further strengthening our role as a leading provider of precision engineering solutions. Our key priorities for the current fiscal include:

- ▶ Continuing to invest in research and development to create cutting-edge technologies and solutions for automotive and defence applications.
- ▶ Increasing our production capacity to meet growing demand in both domestic and international markets.
- ▶ Focussing on building and maintaining strong relationships with our customers, ensuring exceptional service and support.
- ▶ Expanding our global footprint by exploring new markets and opportunities in the automotive and defence sectors.
- ▶ Building on our successful entry into defence manufacturing with small arms and continuing to expand our capabilities in this sector.
- ▶ Investing in and expanding our forging unit to support increased production capacity and meet the demands of a growing automotive customer base.

Committing to Sustainable

Engineering Practices

At Lokesh Machines, we are firmly committed to minimising our environmental footprint and enhancing resource efficiency through a suite of transformative sustainability measures. By weaving together our extensive capabilities with a profound dedication to environmental stewardship, we propel engineering excellence while preserving our planet's vitality. Our initiatives are in sync with the United Nations Sustainable Development Goals (SDGs), ensuring our practices contribute to a more sustainable and thriving future.

Key Initiatives

Rationalising Power Consumption

Optimising power usage, particularly within compressed air systems.

Eco-Friendly Alternatives

Transitioning to environmentally friendly oils to reduce harmful emissions.

Rainwater Harvesting

Implementing systems to conserve and manage water sustainably.

Environmental Certifications

Extending Environment, Health, and Safety certifications across all divisions.

Sewage Treatment

Utilising advanced sewage treatment processes at our Pune facility to recycle water efficiently.

Power Consumption Controls

Enhancing energy efficiency in compressor usage.

Tree Plantation Drives

Promoting environmental conservation through extensive tree planting efforts.

Zero Waste Commitment

Striving to transform our plants into models of net zero waste.

The Way Forward

Looking ahead, our commitment to environmental sustainability will continue to be a driving force behind our operations. Our key priorities for the future include:

- ▶ **Expanding Renewable Energy Use**
Increasing our reliance on renewable energy sources, aiming for a greater share of our power needs to be met through solar energy.
- ▶ **Extending Certification and Best Practices**
Planning to extend our Environmental, Health, and Safety certifications to all our divisions, ensuring that our sustainability efforts are consistently applied across the organisation.
- ▶ **Innovating for Efficiency**
Investing in innovative technologies and practices that enhance resource efficiency, reduce waste, and minimise our environmental impact.
- ▶ **Achieving Net Zero Waste**
Transforming all our plants into net zero waste facilities, reinforcing our commitment to a sustainable and responsible future.

SDGs Aligned

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND



**Nurturing
Talent for**

Excellence

At Lokesh Machines, our remarkable team is the linchpin of our enduring success. In honouring their vital contributions, we are resolute in our objective to create a secure, inclusive, and invigorating work environment. This past year, we have prioritised the well-being of our employees, ensuring their health and happiness while driving unparalleled business excellence.

Key Focus Areas

People Development

Investing in learning and development programmes to equip our employees with the expertise to thrive.



Employee Engagement

Creating a vibrant work culture that encourages collaboration, innovation, and a deep sense of community.



Health and Well-Being

Prioritising employee health through holistic health wellness programmes designed to enhance overall well-being.



Robust Policy Framework

Implementing comprehensive policies to ensure a harmonious work-life balance, professional growth, and exemplary conduct, while maintaining an uncompromising stance against harassment.



Inclusivity and Diversity

Advocating for respect and embracing diversity, recognising that varied perspectives are the driving force behind ground-breaking innovation.



The Way Forward

Looking ahead, we remain committed to empowering our workforce through continuous investment in their development and well-being. Our strategic imperatives for the future encompass:

- ▶ **Expanding Development Programmes**
Enhancing training initiatives to nurture a pipeline of visionary leaders poised for future challenges.
- ▶ **Strengthening Employee Engagement**
Introducing new programmes designed to invigorate and inspire a more committed and motivated workforce.
- ▶ **Promoting Diversity and Inclusion**
Persisting in our advocacy for diversity and inclusivity throughout our organisation, ensuring every individual is recognised and respected.



SDGs Aligned

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES





**Advancing
Excellence**

Beyond Engineering

At Lokesh Machines, our devotion to social responsibility exemplifies our ethos of blending strategic foresight with meaningful influence. We are committed to uplifting the communities where we operate, harmonising with our vision of creating a more inclusive and equitable society.

Key Focus Areas

Human Development

Channelling resources into initiatives that nurture and elevate community growth.



Skill Development

Prioritising projects that refine individual skills and expand career prospects.



Mid-Day Meal Programme

Collaborated with 'Akshay Patra' to provide wholesome meals, bolstering health and academic achievement for children.





The Way Forward

As we advance, our focus on social responsibility will continue to guide our efforts:

- ▶ **Expanding Community Programs**
Broadening our support for human and skill development to deepen our community impact.
- ▶ **Strengthening Partnerships**
Enhancing collaborations with key organisations to maximise our social contributions.
- ▶ **Promoting Inclusivity**
Persistently championing diversity and inclusivity in all our social initiatives, reinforcing our commitment to a more just and equitable society

SDGs Aligned



Governance

Guiding Advancements. Navigating Transformation.

At Lokesh Machines, we recognise that stringent governance is essential for navigating change and fostering innovation. Our firm commitment to transparency, accountability, and ethical rigour forms the very foundation of our governance approach. As we advance, we are indomitable in our pursuit of the highest standards, diligently protecting stakeholder interests and driving our goal forward with unparalleled conviction.

300+ Years

Cumulative Experience

3

Independent Directors

2

Non-Executive Directors

3

Whole-time Directors

Steering Strategic Excellence



Mr. M. Lokeswara Rao
Managing Director

As the founder of Lokesh Machines, Mr. Rao's visionary leadership over the past 50 years has been instrumental in driving our success and fostering industry innovation.



Mr. B. Kishore Babu
Whole-time Director

An engineer with over 43 years of experience, Mr. B. Kishore Babu oversees our SPM division, guiding operations with a deep understanding of engineering and manufacturing.



Mr. M. Srinivas
Whole-time Director

With 28 years of expertise, Mr. Srinivas leads our Auto Component Division and new diversification projects, combining academic excellence with practical experience.

● Audit Committee

● Stakeholders Relationship Committee

● Nomination and Remuneration Committee

C: Chairperson

M: Member



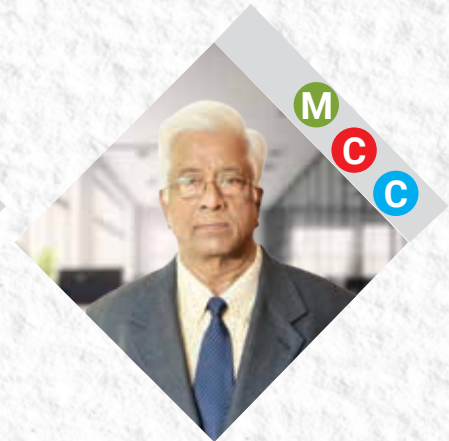
Mr. M. Srikrishna
Whole-time Director

Mr. Srikrishna brings 28 years of manufacturing expertise, managing our CNC machines division and driving precision engineering initiatives.



Mr. B. R. Mahesh
Independent Director & Chairman of the Board

With 30 years of experience in finance and auditing, Mr. Mahesh provides critical oversight and strategic guidance to ensure robust financial practices.



Mr. S. S. Raman
Independent Director

A seasoned professional with 37 years in manufacturing and international business, his insights contribute to our strategic and operational excellence



Mr. D. Balaji
Independent Director

Mr. Balaji brings 34 years of experience in supply chain management, playing a vital role in supporting our global operations and advancing strategic initiatives.



Ms. M. Likhitha
Non-Executive Director

Ms. Likhitha's expertise in mechanical engineering and industry operations adds valuable technical and strategic perspectives to our board.



Mr. K. Krishna Swamy
Non-Executive Director

With over 46 years in machine design, Mr. Krishna Swamy's extensive experience supports our innovation and engineering excellence.

Corporate Information

Board of Directors

Mr. Mullapudi Lokeswara Rao

Managing Director

Mr. B. Kishore Babu

Whole-time Director

Mr. M. Srinivas

Whole-time Director

Mr. M. Srikrishna

Whole-time Director

Mr. B. R. Mahesh

Independent Director &
Chairman of the Board

Mr. S. S. Raman

Independent Director

Mr. D. Balaji

Independent Director

Ms. M. Likhitha

Non-Executive Director

Mr. K. Krishna Swamy

Non-Executive Director

STATUTORY COMMITTEES

Audit Committee

Mr. B. R. Mahesh

Chairperson

Mr. S. S. Raman

Member

Mr. D. Balaji

Member

Mr. M. Srinivas

Member

Nomination & Remuneration Committee

Mr. S. S. Raman

Chairperson

Mr. B. R. Mahesh

Member

Ms. M. Likhitha

Member

Mr. D. Balaji

Member

Stakeholders Relationship Committee

Mr. S. S. Raman

Chairperson

Mr. B. Kishore Babu

Member

Mr. M. Srikrishna

Member

Chief Financial Officer

Mr. V. Sudhakara Reddy

Company Secretary

Mr. Gurprit Singh

Bankers

State Bank of India
Punjab National Bank
Indusind Bank Limited

Statutory Auditors

Brahamayya & Co.,
Chartered Accountants
403 & 404, Golden Green
Apartments,
Irrum Manzil Colony,
Hyderabad - 500 082

Internal Auditors

K.S. Rao & Co.

Chartered Accountants
Hyderabad
Telangana, India

Secretarial Auditors

M/s L.D. Reddy & Co.

Company Secretaries
Flat No. 504, Afzal Commercial
Complex, Besides MMTS. Rly.
Station Hyderabad - 500 004
Telangana, India

Registrars & Transfer Agents

KFin Technologies Limited

Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana,
India - 500 032.

Email ID: einward.ris@kfintech.com

Toll Free/ Phone Number: 1800 309 4001

Registered Office

B-29, EEIE, Stage II Balanagar
Hyderabad - 500 037, Telangana, India
CIN: L29219TG1983PLC004319

Units

Temple Road
Bonthapally, Medak District
Telangana, India

B-25 & 36, EEIE
Stage II, Balanagar
Hyderabad - 500 037, Telangana, India

Plot No 41,
IDA, Balanagar
Hyderabad - 500 037, Telangana, India

Ravalkol Village
Medchal Mandal
Rangareddy Dist
Telangana, India

Sy.No.148, Kallakal Village
Manoharabad Mandal,
Medak District
Telangana India

Plot No. D-260/1
Ranjangaon Industrial Area
MIDC, Shirur
Pune - Maharashtra

BOARD'S REPORT

Dear Members,

Your directors are pleased to present the 40th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2024.

1. FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS.

	₹ in Lakhs	
Particulars	(2023-24)	(2022-23)
Revenue from Operations	29,353.99	24,030.24
Other Income	168.18	420.82
Total Income	29,522.17	24,451.06
Total Expenses	27,466.84	23,159.55
Profit before Taxes	2,055.33	1,450.65
Tax Expenses Less:		
(i) Current Tax	372.13	287.89
(ii) Provision for earlier tax	103.68	-
(iii) Deferred Tax	194.73	195.41
Profits/ (Loss) after Taxes	1,384.79	967.35
Earnings Per Equity Share:		
Basic	7.68	5.41
Diluted	7.68	5.41

Note:

The above figures are extracted from the audited financial statements of the Company prepared as per the Indian Accounting Standards (Ind AS).

2. PERFORMANCE REVIEW

During the year, the total income increased by approximately 20.74% while PAT increased by almost 43.15%.

During the financial year 2023-24, the Company recorded revenue from operations through Net Sales of ₹ 29,353.99/- Lakhs, compared to ₹ 24,030.24/- Lakhs in 2022-23, reflecting an increase of about 22.15 %.

The overall increase in turnover and profit can be attributed to the focused approach of the Company's management in improving productivity, capacity utilisation and growth. The Company is consistently striving towards meeting its sales and profit targets, and your directors are confident that these objectives will be realised as planned.

Furthermore, we request that shareholders to refer Management Discussion and Analysis Report also which forms part of this Report as **Annexure B**.

3. DIVIDEND

Currently, your Company is prioritising its expansion plans, and a significant portion of the profit is being reinvested back into the business with the focus on creating shareholders value. Therefore, your directors

did not recommend any dividend for the financial year ended March 31, 2024.

4. TRANSFER TO GENERAL RESERVE

The Company does not propose transferring any amount to the General Reserve for 2023-24.

5. SHARE CAPITAL

During the year under review, the Company has increased its authorised share capital from 20,00,00,000 (Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crore Only) equity shares of ₹10/- (Rupees Ten Only) to ₹ 22,00,00,000 (Rupees Twenty-Two Crore Only) divided into 2,20,00,000 (Two Crore Twenty Lakhs Only) equity shares of ₹10/- (Rupees Ten Only).

Furthermore, the Company issued and allotted 6,00,000 (Six Lakh) Equity shares at ₹ 243.25/- each (including premium of ₹ 233.25/-) preferential allotment and 15,00,000 (Fifteen Lakh) warrants convertible into equity shares of the Company at ₹ 243.25/- each (including premium of ₹ 233.25/-) by way of preferential allotment.

As on March 31, 2024, the paid-up equity share capital of the Company is ₹ 1,849.67 Lakhs and paid-up equity share capital on fully diluted basis is ₹ 1,999.67 Lakhs.

BOARD'S REPORT (Contd.)

6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any Subsidiary, Associates or Joint Venture company either in India or abroad.

7. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL**a) Composition**

The Company's Board currently comprises 9 directors: four Executive Directors, three Independent Directors, and two Non-Executive Directors, including one Woman Director.

Mr. Mullapudi Lokeswara Rao, Managing Director; Mr. V. Sudhakara Reddy, Chief Financial Officer; and Mr. Gurprit Singh, Company Secretary, hold the office of Key Managerial Personnel. Mr. Mullapudi Srivias, Mr. Mullapudi Srikrishna, and Mr. Bollineni Kishore Babu hold the office of Whole-time Directors.

In accordance with the provisions of Companies Act, 2013, the tenure of Mr. Mullapudi Lokeswara Rao, Managing Director, Mr. Bollineni Kishore Babu, Mr. Mullapudi Srinivas, Mr. Mullapudi Srikrishna, Whole-time Directors will expire on September 30, 2024.

The Board at its meeting held on August 14, 2024, has recommended their re-appointment to the Shareholders at the ensuing AGM.

The appointment of Mr. K. Krishna Swamy, Non-Executive Director of the company, is due for retirement by rotation at the ensuing Annual General Meeting and he is eligible for re-appointment. The Board recommends his re-appointment to the shareholders.

The second term of Mr. B. R. Mahesh, Independent Director of the Company will conclude on September 29, 2024. The Board of Directors extends its heartfelt appreciation for Mr. Mahesh's valuable contributions and dedication throughout his tenure with the Company. His impact over the years has been greatly appreciated.

Further, on the recommendation of the Nomination and Remuneration Committee, the Board has recommended the appointment of Mr. Meka Yugandhar as an Independent Director of the Company at the ensuing Annual General Meeting effective from September 29, 2024 to September 28, 2029.

Mr. Dorairajan Balaji, Independent Director of the Company was appointed as an Independent Director of the Company at the 35th Annual General Meeting (AGM) held on September 27, 2019. The Board at its meeting held on August 14, 2024, has recommended the re-appointment of Mr. Dorairajan Balaji as an Independent Director of the Company effective from August 14, 2024 till August 13, 2029.

In accordance with the requirements of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the continuation of appointment of Mr. K. Krishna Swamy, a Non-Executive Director, will be placed before the shareholders at the upcoming Annual General Meeting.

As mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailed information and profiles of the director's seeking appointment and re-appointment are provided in the notice and explanatory statement of the 40th Annual General Meeting.

Independent Directors

The Independent Directors have fulfilled the criteria of Independence as defined under Section 149(6) of the Companies Act, 2013, and requisite declarations in terms of Section 149(7) of the Companies Act, 2013, have been received.

During the year under review, a separate meeting of Independent Directors was held on March 04, 2024, in accordance with Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This meeting was convened without the attendance of Non-Independent Directors.

The meeting was attended by Mr. B.R. Mahesh, Mr. D. Balaji and Mr. S.S. Raman. Additionally, all directors of the Company have disclosed their interests to the Company pursuant to Section 184(1) of the Companies Act, 2013.

9. BOARD MEETINGS

During the year, a total of 9 meetings of the Board of Directors were convened and held. Comprehensive information regarding these meetings is provided in the Corporate Governance Report, which is enclosed with this report as **Annexure D**.

BOARD'S REPORT (Contd.)
10. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES.

The Company has formulated a comprehensive policy that encompasses various aspects, including the appointment of Directors, remuneration for managerial roles, Director qualifications, their positive attributes, the assessment of Director independence, and other pertinent subjects as stipulated by Section 178(3) of the Companies Act, 2013. The details of Board and committee composition, tenure of directors, areas of expertise and other details are available in the corporate overview section that forms part of this Annual Report. This policy has been made accessible on the Company's website at <https://www.lokeshmachines.com/investment-center.php?key=policy>.

11. AUDITORS
a) Statutory Auditors

As per the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, M/s. Brahamayya & Co., Hyderabad (ICAI Firm Regn. No.000513S) were appointed as Statutory Auditors of the Company at the 38th Annual General Meeting for a term of five years i.e., from conclusion of 38th Annual General Meeting till the conclusion of 43rd Annual General Meeting at a remuneration of ₹ 5,00,000/- per annum plus reimbursement of out of-pocket and travelling expenses, if any.

The Statutory Auditors' report forms part of the Annual Report. The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The Statutory Auditors have not made any qualification, reservations, or adverse remark or disclaimer in their report for the financial year ended on March 31, 2024, furthermore, no instances of fraudulent activities have been reported by the Auditors to the Company's Audit Committee during financial year under review.

b) Cost Auditors:

Based on the recommendation of the Audit Committee, the Board at its meeting on May

22, 2024, appointed M/s Naval & Associates, Cost Accountants (Firm Registration: 002319), to perform the audit of cost records for various segments of the Company for the financial year 2024-25.

In accordance with the provisions outlined in Section 148 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of cost auditors is placed for ratification by the shareholders of the Company at the 40th AGM.

c) Secretarial Auditors:

The Board, at its meeting held on May 22, 2024, appointed M/s. L.D. Reddy & Co., Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for 2024-25. This appointment is in line with the requirements set out in Section 204 of the Companies Act, 2013, and Rule 9 thereof. The Secretarial Audit Report for the financial year 2023-24 is a part of this report as **Annexure A**.

Furthermore, the Secretarial Auditors have not made any qualification, reservations, or adverse remark or disclaimer in their report for the financial year ended on March 31, 2024.

Furthermore, in accordance with regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with relevant circulars and guidelines issued under these regulations (referred to as "SEBI Listing Regulations"), the Company has undertaken an audit to ensure compliance with all applicable provisions of the SEBI Listing Regulations for the financial year 2023-24.

The Annual Secretarial Compliance Report, issued by Mr. L. Dhanamjay Reddy, Practising Company Secretary based in Hyderabad, has been duly submitted to the Stock Exchanges within the stipulated timeframe. A copy of this report has been attached as **Annexure A2** to this document.

12. INTERNAL AUDIT, INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board, at its meeting on May 22, 2024, appointed M/s K. S. Rao & Co., Chartered Accountants, Hyderabad having Firm Reg. No. 003109S as the Internal Auditors of the Company in place of M/s M V Narayana Reddy & Co., Chartered Accountants, (FRN: 002370S) The Board is of the opinion that in order to maintain transparency and good corporate governance it is important to rotate Internal Auditors at regular intervals.

BOARD'S REPORT (Contd.)

The responsibility of Internal Auditors inter-alia includes conducting the Internal Audit for the year ending on March 31, 2025. The role of the Internal Auditors encompasses assessing the efficiency and effectiveness of the Company's systems and procedures. The Audit Committee plays a vital role in this process by approving and reviewing the internal audit report issued by the Internal Auditors.

Furthermore, the Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error-reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. For more details, refer to the 'Internal control systems and their adequacy' section in the Management discussion and analysis report, which forms part of this Annual Report as **Annexure B**.

13. SECRETARIAL STANDARDS

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

14. PREVENTION OF INSIDER TRADING:

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Mr. Gurprit Singh, Company Secretary, as Compliance Officer w.e.f. June 16, 2021, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code of conduct for the prevention of Insider trading.

15. DIVIDEND DISTRIBUTION POLICY

The Provision relating to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding formulation of Dividend Distribution Policy is not applicable to your Company.

16. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Provision relating to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 regarding submission of Business Responsibility and Sustainability Report is not applicable to your Company.

17. ANNUAL RETURN

The Annual Return filed by the Company is available on the Company's website at <https://www.lokeshmachines.com/investment-center.php?key=annual-returns06-16-01> and the Annual Return as on March 31, 2024 shall be uploaded on the website of the Company as & when filed with the Registrar of Companies, Hyderabad.

18. INDUSTRIAL RELATIONS

The employee relations have remained cordial throughout the year and industrial harmony was maintained. Measures for the safety, training and development of the employees continued to receive top priority. The Directors wish to place on record their appreciation of the valuable contribution made by the employees of the Company at all levels towards the performance and growth of the Company.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of the investments made by the Company are given in the financial statements.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy of the Company and details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed in CSR Report which forms part of this report as **Annexure C** attached hereof. Further details of composition of the Corporate Social Responsibility Committee and other details are provided in the Corporate Governance Report which forms part of this report as **Annexure D**. This policy has been made accessible on the Company's website at <https://www.lokeshmachines.com/investment-center.php?key=policy>

21. INTERNAL COMPLAINTS COMMITTEE

The Company has in place a policy for prevention, prohibition and redressal against sexual harassment of women at workplace to protect women employees and enable them to report sexual harassment at workplace. An Internal Committee has been constituted consisting

BOARD'S REPORT (Contd.)

of optimum number of women for the said purpose. During the year under review, the Company has not received any complaint from any women employees and there were no pending complaints at the beginning or at the end of the financial year. This policy has been made accessible on the Company's website at <https://www.lokeshmachines.com/investment-center.php?key=policy>.

22. PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

As required under the provisions of Schedule IV of the Companies Act, 2013 the performance evaluation of independent directors has been done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure, and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

The Independent Directors of the Company had also convened a separate Meeting for this purpose on March 04, 2024. The results from this evaluation process have been informed to the Chairman of the Board of Directors.

23. LISTING:

The equity shares of the Company are listed with BSE Limited (BSE), and National Stock Exchange of India Limited (NSE). There are no arrears on account of payment of listing fees to the said Stock Exchanges.

24. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 Your Directors confirm that:

In preparation of annual accounts for the financial year ended March 31, 2024.

- a. the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2024 and of the profit of the Company for the financial year;
- c. The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts on a 'going concern' basis;
- e. The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. CORPORATE GOVERNANCE REPORT

A report on compliance with the requirements of Corporate Governance has been attached as **Annexure D**. The certificate on compliance with the conditions of Corporate Governance is attached as **Annexure D2**.

BOARD'S REPORT (Contd.)
26. FUND RAISING AND UTILISATION OF PROCEEDS FROM PREFERANTIAL ISSUE

During the financial year under review, your Company raised funds by issuing Equity Shares and Warrants through preferential allotment in accordance with the provisions of the Companies Act, 2013 and SEBI (ICDR) Regulations, 2018.

The details of utilisation of such funds are as follows:

Particulars	In Cr.
Amount raised through issue of Equity Share	14.59
Amount raised through issue of Warrants (Received 25% towards warrants subscription)	9.12
Total Amount raised	23.71
Less: -	
Repayment of Unsecured Loans	8.95
Capital Expenditure (CAPEX)	10.54
Working Capital	4.22
Total remaining amount	0.00

Furthermore, the Company has issued and allotted 6,00,000 (Six Lakh) Equity shares at ₹ 243.25/- each (including premium of ₹ 233.25/-) and 15,00,000 (Fifteen Lakh) warrants convertible into equity shares of the Company at ₹ 243.25/- each (including premium of ₹ 233.25/-) by way of Preferential Allotment.

27. CERTIFICATE FROM COMPANY SECRETARY IN PRATICE

Mr. L. Dhanamjaya Reddy, Practicing Company Secretary has issued a certificate as required under the Listing Regulations confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as **Annexure D1**.

28. NOMINATION AND REMUENRATION POLICY

On the recommendation of the Nomination and Remuneration Committee the Board of Directors has formulated a policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, and independence of a director and other matters and to frame proper systems for identification, appointment of directors & KMP, Payment of Remuneration to them and Evaluation of their performance. This policy has been made accessible on the Company's website at <https://www.lokeshmachines.com/investment-center.php?key=policy>

29. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the **Annexure E** forming part of the Annual Report.

Further, the disclosure required under section 197(14) of the Companies Act, 2013, is not applicable as the Company do not have any Holding or Subsidiary Company.

With regard to the provisions of Section 136(1) read with its relevant provision of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary at cosecy@lokeshmachines.com.

30. BOARD'S RESPONSE ON AUDITOR'S QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:

During the year, there is no qualification, reservation or adverse remark or disclaimer made or reported by the auditors under the provisions of the Companies Act, 2013 read with SEBI Listing Regulations.

31. INSURANCE:

The Company takes a very pragmatic approach towards insurance. Adequate cover has been taken for all movable and immovable assets for various types of risks.

32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators /Courts/ Tribunals which would impact the going concern status of the Company and its future operations.

BOARD'S REPORT (Contd.)
33. MATERIAL CHANGES AND COMMITMENTS

There are no Material changes and commitments affecting the financial position of the Company which occurred between the financial year ended March 31, 2024, to which the financial statements relates and the date of signing of this Report.

34. MANAGEMENT DISCUSSION AND ANALYSIS:

A brief note on the Management discussion and analysis for the year is enclosed as **Annexure B** to this report.

35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) 2014, is enclosed herewith as Rules, in **Annexure F**.

36. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The Company has been addressing various risks impacting the Company. The Policy of the Company on risk management is discussed as a part of the Management Discussion and Analysis Report.

The Company has developed and implemented a risk management policy for the Company including identification therein of elements of risks, which in the opinion of the Board may threaten the existence of the Company.

37. VIGIL MECHANISIM

In pursuant to the provisions of section 177 of the Companies Act, 2013 a Vigil Mechanism for directors and employees to report genuine concerns has been established. All employees of the Company are covered under the Whistle Blower Policy. This policy has been made accessible on the Company's website at <https://www.lokeshmachines.com/investment-center.php?key=policy>

38. PUBLIC DEPOSITS:

The Company has not accepted any deposits from the public.

Further, during the year under review, the Company received unsecured loan amounting to ₹ 695 lakhs from the Directors of the Company which was subsequently repaid by the Company during the year.

39. RELATED PARTY TRANSACTIONS:

Related party transactions entered during the financial year under review are disclosed in **Note No. 40** of the Financial Statements of the Company for the financial year ended March 31, 2024. These transactions entered were at an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. The Audit Committee granted approval as and when required and subsequently ratified by the Board of Directors. As required under the Act, the prescribed Form AOC-2 is appended as **Annexure G** to the Board's report.

40. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

During the year under review, there are no proceedings, either filed by the Company or filed against Company, pending under the Insolvency and Bankruptcy Code, 2016, before Hon'ble National Company Law Tribunal or other Court.

41. ACKNOWLEDGEMENTS

Your directors wish to place on record their appreciation for the support and co-operation extended by the Shareholders, Bankers, Financial Institutions, Government Authorities, Stock Exchanges, Customers, Suppliers and other associates.

Your directors also wish to place on record their appreciation for the enthusiastic support received from the team of dedicated employees in the activities of your Company.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: August 14, 2024

Sd/-
Mullapudi Srinivas
(Whole-time Director)
(DIN: 00917565)

Sd/-
Mullapudi Lokeswara Rao
(Managing Director)
(DIN: 00989447)

ANNEXURE A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Period from April 01, 2023 to March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (LODR) Regulations, 2015]

To
The Members

M/s. Lokesh Machines Ltd

Address: B-29, EEIE, Stage II, Balanagar,
Hyderabad, Telangana 500037

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Lokesh Machines Ltd** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period from April 01, 2023 to March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Period from April 01, 2023 to March 31, 2024 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - a. The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- b. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The SEBI (Prohibition of Insider Trading) Regulations, 2015
- d. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
- e. The SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the Audit period)
- f. The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period)
- g. The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- h. The SEBI (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit period)
- i. The SEBI (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit period)
- vi. The Payment of Wages Act, 1936
- vii. Minimum Wages Act, 1948
- viii. Employees Provident Fund And Misc. Provisions Act, 1952
- ix. Employees State Insurance Act, 1948
- x. Payment of Gratuity Act, 1972
- xi. Employee's Compensation Act, 1923
- xii. The Payment of Bonus Act, 1965
- xiii. Contract Labour (Regulation & Abolition) Act 1970
- xiv. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xv. Income Tax Act, 1961
- xvi. GST Act and Rules made thereunder
- xvii. The Insurance Act, 1938 [as amended by insurance (amendment) act, 2002]

ANNEXURE A (Contd.)

- xviii. The Factories Act, 1948 and rules made thereunder.
- xix. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- xx. Secretarial Standards issued by The Institute of Company Secretaries of India.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 as amended entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

2. We further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs from time to time and the Memorandum and Articles of Association of the Company, with regard to:

- Closure of the Register of Members.
- Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- Service of documents by the Company to its Members, Auditors and the Registrar of Companies;
- Maintenance of various statutory registers and documents and making necessary entries therein has been done as per the Companies Act, 2013;
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;

- Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- Appointment and remuneration of Statutory Auditor, Cost Auditor and Secretarial Auditors.
- Borrowings and registration, modification and satisfaction of charges wherever applicable;
- Format of balance sheet and statement of profit and loss is as per Schedule III of Companies Act, 2013 read with Companies (Indian Accounting Standard (Ind AS) Rules 2015;
- Report of the Board of Directors as per sec 134 of the Companies Act 2013;
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Conduct for Directors and Management Personnel.

3. We further report that:

- The Company has complied with the requirements under the equity listing agreements entered into with BSE Limited, National Stock Exchange of India Limited;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2011; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended including the provisions with regard to disclosures and maintenance of records required under the said Regulations.
- The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding;- No transactions during the year
- There was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

ANNEXURE A (Contd.)

4. We Further Report That:
- The Company is regular in publishing Audited and Unaudited Financial Results.
 - The Company has filed return under Employment Exchange Act/Rules
 - The Company has filed integrated return under The Factories Act, 1948 and other Labour Laws for the financial year ending March 31, 2024
5. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further Report that during the audit period the Company has:
- The Company has allotted the Equity Shares and Issued Warrants during the period under review.,
 - No buy back of shares
 - No major Decision taken by the members in pursuance of Section 180 of the companies Act, 2013;
 - No Merger/Amalgamation/Reconstruction, etc.,
 - No Foreign Technical Collaborations;

**For L.D.Reddy & Co.,
Company Secretaries**

Lebaka Dhanamjaya Reddy
(Proprietor)
M No.: 13104
CP. No.3752
UDIN: A013104F000926181

Date: August 08, 2024
Place: Hyderabad

ANNEXURE A (Contd.)

ANNEXURE

To

The Members

M/s. Lokesh Machines Ltd

Address: B-29 EEIE, Stage II, Balanagar,
Hyderabad, Telangana 500037

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records on our audit.
2. We have followed the audit practices and processes as appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the information and relevant documents including representation given by the management about the compliance of laws, rules and regulation and happening of events etc.
5. The compliances of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the Company efficiency of effectiveness with which the management has conducted the affairs of the Company.

**For L.D.Reddy & Co.,
Company Secretaries**

Lebaka Dhanamjaya Reddy

(Proprietor)

M No.: 13104

CP. No.3752

UDIN: A013104F000926181

Date: August 08, 2024

Place: Hyderabad

ANNEXURE A1

SECRETARIAL COMPLIANCE REPORT OF

M/s. LOKESH MACHINES LIMITED for the year ended March 31, 2024

I, L. Dhanamjaya Reddy, proprietor of L.D. Reddy & Co., Company Secretaries, Hyderabad have examined:

- a. all the documents and records made available to us and explanation provided by M/s. LOKESH MACHINES LIMITED ("the listed entity"),
- b. the filings/ submissions made by the listed entity to the Stock Exchanges,
- c. website of the listed entity; and
- d. all other document/filing and submissions etc.,

for the year ended March 31, 2024 ("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, 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during audit period)**
- e. The SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during audit period)**
- f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during audit period)**
- g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during audit period)**
- h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i. other applicable regulations and circulars/ guidelines issued thereunder;
- j. The reporting of clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries" is not applicable during the Review Period.
- k. According to NSE Circular No.NSE/CML/2023/21, BSE Circular No.20230316-14 dated March 16, 2023, and NSE Circular No.NSE/CML/2023/30, BSE Circular No.20230410-41 dated April 10, 2023 the additional affirmations are given in Annexure-1.

and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE A1(Contd.)

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For **L.D.Reddy & Co**
Company Secretaries

L. Dhanamjaya Reddy
(Proprietor)

CP. No.: 3752

M. No.: 13104

UDIN: A013104F000469054

Place: Hyderabad

Date: May 28, 2024

ANNEXURE -1

ADDITIONAL AFFIRMATION

The Company has provided the following Additional Affirmations according to **NSE Circular No. NSE/CML/2023/21, BSE Circular No. 20230316-14 dated March 16, 2023, and NSE Circular No. NSE/CML/2023/30, BSE Circular No. 20230410-41 dated April 2023:**

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS*
1.	Secretarial Standards The compliances of the listed entity is in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI)	Yes	NA
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI 	Yes Yes	NA NA
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • 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 	Yes Yes Yes	NA NA NA
4.	Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	NA
5.	To examine details related to Subsidiaries of listed entities: <ul style="list-style-type: none"> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries 	NA NA	NA NA
6.	Preservation of Documents: 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	NA
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	NA
8.	Related Party Transactions: <ul style="list-style-type: none"> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee 	Yes NA	NA NA
9.	Disclosure of events or information: 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	NA

ANNEXURE -1 (Contd.)

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS*
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	NA
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Actions 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	Yes	NA
12.	Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/ circular/ guidance note etc.	NA	NA

*Observations/Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

For **L.D.Reddy & Co**
Company Secretaries

L. Dhanamjaya Reddy
(Proprietor)

CP. No.: 3752

M. No.: 13104

UDIN: A013104F000469054

Place: Hyderabad

Date: May 28, 2024

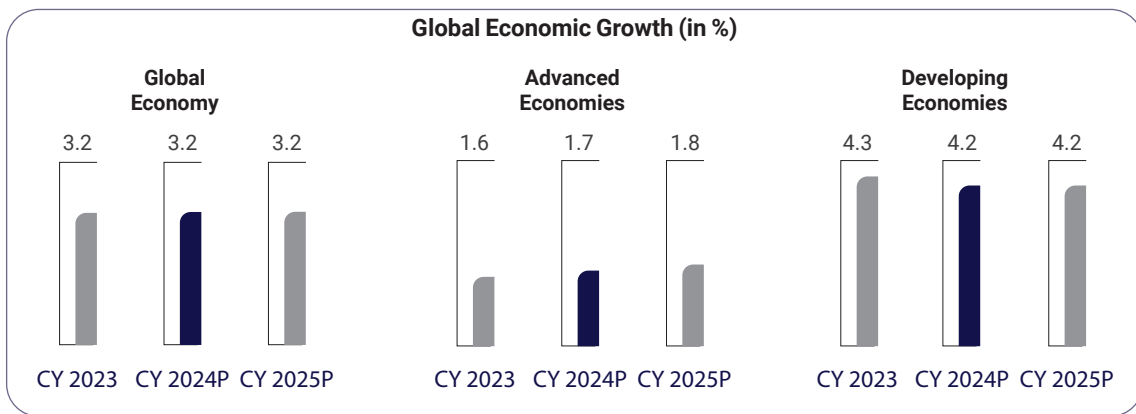
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMIC OVERVIEW

In 2023, the global economy displayed commendable resilience, achieving an impressive growth rate of 3.2%. This positive trajectory is anticipated to extend into 2024 and 2025, heralding a period of robust economic expansion. Despite facing notable challenges from inflation, which peaked at 6.8% due to enduring geopolitical tensions, including the conflicts in Ukraine and the Middle East, central banks worldwide have effectively synchronised their monetary policies. Their concerted efforts are poised to

methodically reduce inflation to 5.9% in 2024 and further to 4.5% by 2025, reinforcing global economic stability.

Despite these challenges, CY 2023 witnessed thriving economic activity driven by resilient household consumption, higher-than-expected government expenditure, and significant supply-side expansions. This resilience and faster disinflation is supported by favourable supply chain dynamics, including reduced impacts from prior energy price shocks and eased labour market pressures. These positive trends indicate a robust global economy poised to confront future challenges and sustain its growth trajectory.



(Source: IMF World Economic Outlook April, 2024) P - Projected

OUTLOOK

As the current cycle of monetary tightening draws to a close, global GDP growth is projected to be steady, with advanced economies experiencing measured growth while emerging markets gather momentum. Promising signs of faster disinflation and potential monetary easing are expected to further invigorate economic activity, especially in interest rate-sensitive sectors. Contributing factors to this disinflation include the anticipated easing of supply chain constraints, moderating final demand, rebalancing labour markets, and declining rents. These positive trends hint at considerable global economic resilience and continued growth in the near future.

However, downside risks remain, including slow employment growth, persistently high prices and wages, elevated interest rates, tighter credit conditions, and fiscal tightening across most major economies. On the brighter side, several factors are anticipated to support economic stability and growth, such as advancements in technology, increased investment in green energy, and robust consumer spending. By

adeptly navigating these challenges and seizing emerging opportunities, the global economy is primed to sustain its upward trajectory and foster sustainable growth in the near future.

(Source: IMF World Economic Outlook April 2024)

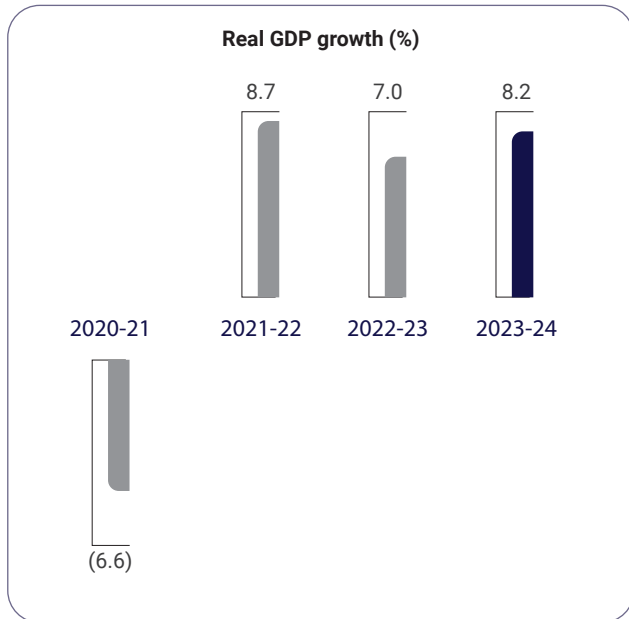
INDIAN ECONOMIC OVERVIEW

India has fortified its position as the world's fifth-largest economy and the most populous nation, demonstrating significant economic output and robust demographic vitality. Notably, the country has outpaced China in becoming the fastest-growing economy in the world.

For 2023-24, India's GDP is estimated to have grown at a rate of 8.2%. This enhanced growth was fuelled by a narrowing divide between rural and urban consumption, and a balance in private and public capital expenditure. Additionally, sustained profitability in manufacturing, resilience in the services sector, and anticipated improvements in household consumption and private investment cycles further contributed to this accelerated growth trajectory.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Real GDP Growth Rate of the Indian Economy (in %)



(Source: NSO, MoSPI)

On the supply side, the gross value added (GVA) rose by 7.2%, with the manufacturing and services sectors emerging as the primary engines behind this growth during 2023-24. However, the growth on the demand side (measured by GDP) is outpacing that of the supply side (measured by GVA). This signals a potential imbalance where demand outstrips supply. Concurrently, subpar agricultural output may constrain food supplies, exacerbating inflationary pressures amid increased demand.

India's retail inflation, gauged by the Consumer Price Index (CPI), reached a peak of 7.79% in 2023-24. However, by the end of April 2023, inflation started on a downward trajectory, with headline CPI easing to 4.85% by March 2024. Despite this improvement, persistent food price volatility continues to challenge the disinflation process. In response, the Monetary Policy Committee (MPC) has maintained a vigilant stance, opting to keep the policy repo rate unchanged at 6.50% to stabilise inflation expectations.

India continues to forge ahead with its ambitious infrastructure development agenda, undeterred by inflationary pressures. The Union Budget 2023-24 outlines a substantial surge in public sector capital investments, skyrocketing from ₹ 5.6 Lakh Cr. in 2014-15 to ₹ 18.6 Lakh Cr. in 2023-24—an impressive threefold increase. Looking forward, the Interim Union Budget for 2024-25 has announced an 11.1% year-on-year boost in the capital expenditure outlay, amounting to 3.4% of the GDP for the upcoming fiscal year.

This sustained investment in capital assets is yielding favourable outcomes, underscored by the ongoing momentum and growth in industrial output. The Index of Industrial Production (IIP) climbed to 5.8% in 2023-24, marking an increase from 5.2% in 2022-23. Moreover, this growth is driven by increased capital expenditure and strong domestic demand, particularly in key sectors like manufacturing and infrastructure.

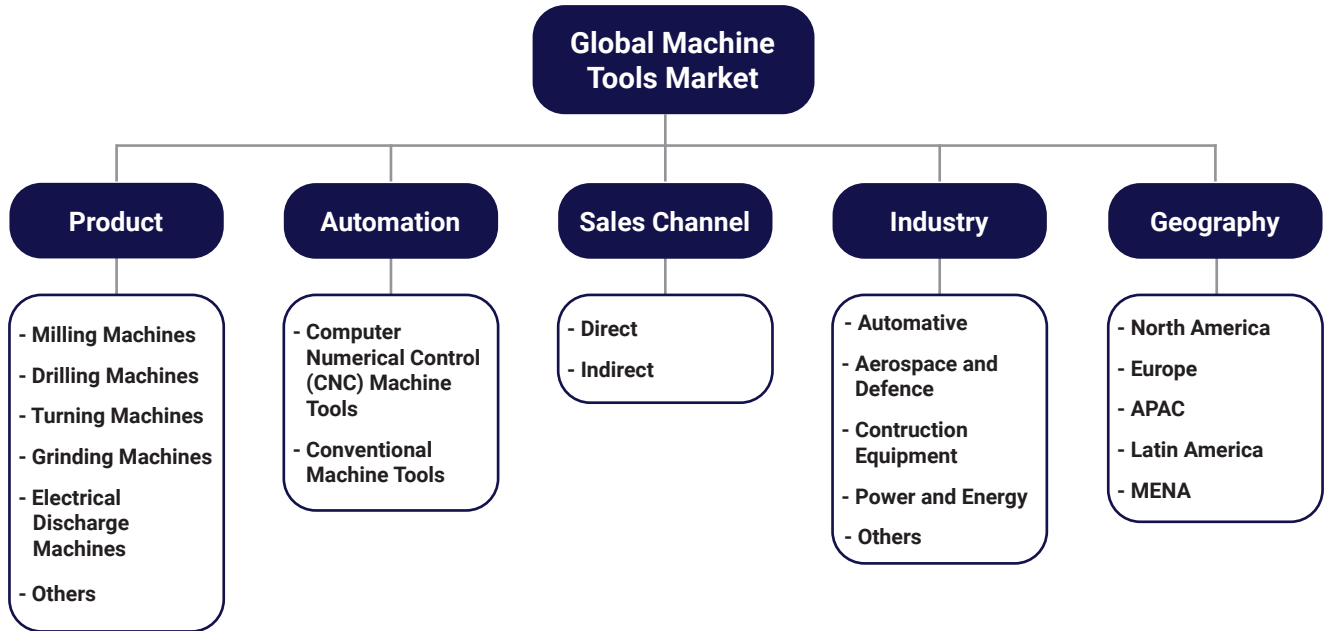
OUTLOOK

India's economic landscape is primed for manufacturers to thrive, driven by expansive spending, structural reforms, and resilient domestic demand. The accessibility of credit, facilitated by widespread expansion initiatives, fuels a surge in business activities and investment ventures. Manufacturers are currently operating at near-full capacity, underscoring the robust demand and signalling ample room for further expansion. Government initiatives are strategically geared towards mitigating trade deficits and curbing inflation, which in turn augments the prospects for manufacturers. Moreover, significant investments in infrastructure are anticipated to elevate supply chain efficiencies, thus amplifying the nation's overall competitiveness on the global stage. Despite the prevailing global economic uncertainties and occasional fluctuations in commodity prices, the domestic market serves as a solid foundation for Indian manufacturers to flourish and thrive in the years ahead.

(Source: MoF Projections, RBI April 2024 Economic Outlook)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

STRUCTURE OF THE GLOBAL MACHINE TOOLS INDUSTRY



GLOBAL MACHINE TOOLS MARKET

The global market for machine tools is set to experience significant expansion, propelled by the growing demand for manufactured goods across various industries. With a market size of USD 78.6 Bn in CY 2023, the market is projected to reach USD 104.7 Bn by CY 2030, reflecting a robust compound annual growth rate (CAGR) of 4.2%

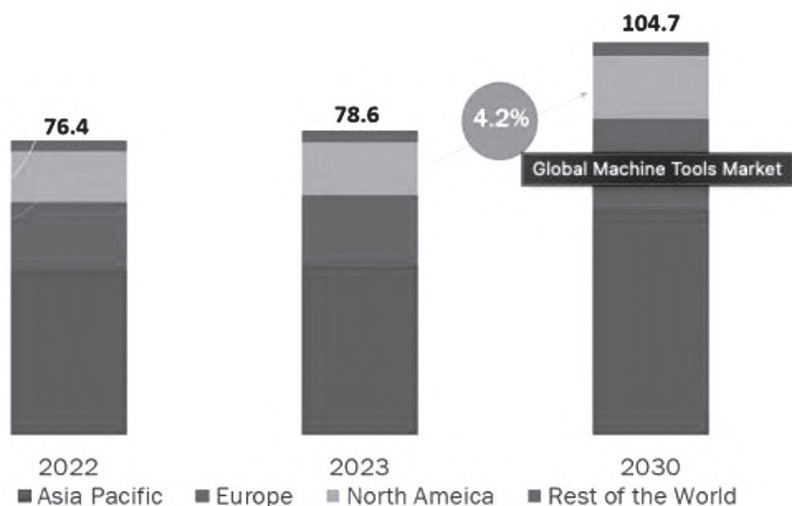
throughout the forecast period. This growth is driven by the need for precision, customisation, and high-volume production, which stimulate innovation and technological advancements in the field of machine tools. Furthermore, focus on factors such as the pursuit of tighter tolerances, reduced waste, and enhanced predictive maintenance, all of which contribute to greater efficiency.

MACHINE TOOLS MARKET GLOBAL FORECAST TO 2022-2030 (USD BN)



CAGR OF **4.2%**

The machine tools market is expected to be USD 104.7 Bn by 2030, growing at a CAGR of 4.2% during the forecast period.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The Asia-Pacific region is emerging as a dominant force, projected to reach USD 60.4 Bn by 2030 at a CAGR of 4.6%, driven by the rising adoption of industrial automation. China, Japan, and India are expected to create attractive opportunities, with China leading as the largest producer and user of machine tools globally.

The milling machine segment is anticipated to dominate the market during the forecast period. Its capability to provide intricate details and consistently high quality makes it essential in the aerospace, medical devices, and electronics industries. The industry's transformation with CNC technology offers precision, efficiency, and automation, facilitating the production of complex parts and seamless integration with CAD/CAM software.

However, high initial investment costs and associated expenses pose a restraint, particularly for cost-sensitive regions and industries. Despite these challenges, the long-term benefits of improved productivity and quality often justify the investment.

(Source: Marketandmarket Research February 2024 Report)

OUTLOOK

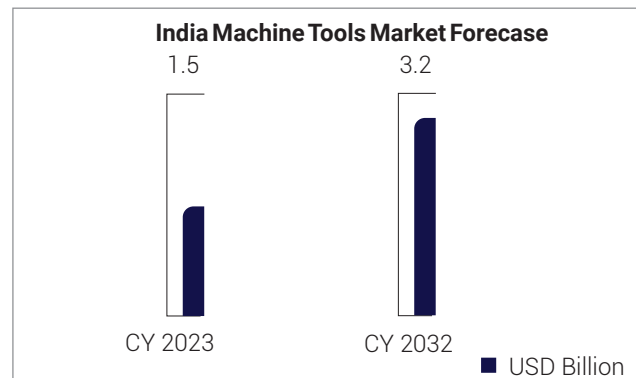
Looking ahead, the global machine tools industry is poised for significant evolution and expansion driven by several key factors. As industries worldwide continue to emphasise precision manufacturing, customisation, and high-volume production, the demand for advanced machine tools is set to rise. Technological advancements enable manufacturers to achieve higher levels of efficiency, accuracy, and productivity while reducing operational costs and lead times.

Emerging industries such as aerospace, automotive, medical devices, electronics, and renewable energy are expected to be major drivers of growth. These sectors rely heavily on sophisticated machining capabilities to meet stringent quality standards and complex design requirements. As industrialisation and digitalisation continue to accelerate worldwide, the role of machine tools in enabling efficient and flexible manufacturing processes will remain pivotal in shaping the future of global industrial production.

INDIAN MACHINE TOOLS MARKET

The Indian machine tools market is witnessing a robust growth trajectory, fuelled by the increasing demand for industrial automation, rising emphasis on product quality, and the burgeoning proliferation of small and medium-sized enterprises (SMEs). Valued at a substantial USD 1.5 Bn in CY 2023, this market is poised to reach an impressive USD 3.2 Bn by CY 2032, exhibiting a remarkable compound annual growth rate (CAGR) of 8.2% during the period

spanning CY 2024-2032. These tools play a pivotal role in enhancing product uniformity and reducing manual efforts across diverse industries, including the pivotal automotive, aerospace, and electronics sectors. Consequently, the market offers a diverse array of tools, ranging from compact workbench-mounted instruments to large-scale devices, catering to the demands of these critical industries.



A significant driver propelling this growth is the intensifying focus on industrial automation, aimed at boosting overall productivity and improving ergonomics. Concurrently, the surge in SMEs and stringent product quality evaluation criteria have fuelled the demand for efficient and precise machine tools, further catalysing market expansion. Moreover, India's favourable business environment, characterised by lower labour and raw material costs, coupled with reduced tax rates, has attracted foreign companies to establish manufacturing bases within the country. This influx of foreign investment presents lucrative opportunities for machine tool manufacturers to expand their consumer base and tap into the vast potential of the Indian market.

The market itself is segmented based on tool type, technology type, end-user industry, and region, offering a diversified landscape. Metal cutting, metal forming, and accessories constitute the primary tool types, while conventional and computerised numerical control (CNC) technologies dominate the technological landscape. The automotive, aerospace and defence, electrical and electronics, consumer goods, and precision engineering industries emerge as the major end-users, with the market segment across the regions of North India, West and Central India, South India, and East India.

As India continues its trajectory towards becoming a global manufacturing hub, supported by encouraging government policies, the machine tools industry is poised to play an indispensable role in driving innovation, productivity, and competitiveness across various sectors, propelling the nation's industrial prowess to new heights.

(Source: IMAC Group Report)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

OUTLOOK

The Indian machine tools industry is poised for substantial growth, fuelled by the country's expanding manufacturing sector and initiatives such as Make in India and Atma-nirbhar Bharat. The rise in demand for advanced machine tools across sectors like automotive, aerospace, defence, electronics, and healthcare will be a key driver. Technological advancements, particularly in automation, robotics, and digitalisation, are expected to transform the industry by boosting productivity and precision. Additionally, the industry's shift towards sustainable manufacturing practices will align with global environmental standards, as there is increasing demand for eco-friendly solutions. As India continues its path of industrialisation, the machine tools sector will be instrumental in advancing the country's manufacturing capabilities and global competitiveness.

Opportunities

1. Government Initiatives

- Initiatives such as 'Make in India' and 'Skill India' aim to boost domestic manufacturing and enhance workforce skills. These programmes foster a favourable environment for the machine tools industry by encouraging local production and offering incentives and supportive policies.

2. Industrial Automation

- There is a growing emphasis on industrial automation to enhance productivity and safety. The adoption of automated machines and robotics increases the demand for advanced machine tools capable of supporting these automated systems.

3. Growth of SMEs

- The rise of small and medium-sized enterprises (SMEs) necessitates affordable and efficient machine tools. The industry can capitalise on this by providing tailored solutions that meet the stringent quality standards required by SMEs.

4. Emerging Markets

- Fast-growing markets in Southeast Asia, Latin America, and Africa present significant opportunities for machine tool manufacturers. As these regions industrialise, there is potential for expanding customer bases and capturing new demand.

5. Automotive and Aerospace Growth

- Rapid expansion in the automotive and aerospace industries drives the need for high-precision machine tools. The industry has the opportunity to

develop specialised tools for these sectors, which require intricate components and high accuracy.

6. Low-Cost Manufacturing Hub

- India's position as a hub for low-cost manufacturing attracts global companies. This creates demand for cost-effective machine tools, which Indian manufacturers can provide, leveraging their expertise in producing competitive solutions.

7. Increasing Exports

- The Indian machine tools industry has successfully captured a significant share of the global market through exports. Enhancing export capabilities and exploring new markets can further boost industry growth.

8. Domestic Demand from Key Sectors

- Growing sectors like defence, railways, and power generation increase domestic demand for advanced machine tools. The industry can cater to these sectors by developing specialised solutions for their specific needs.

9. New Technologies

- The integration of automation, IoT, and Industry 4.0 presents opportunities for innovation. Adopting these technologies can enable manufacturers to offer a broader range of advanced products and stay competitive.

Threats

1. Foreign Competition

- The industry faces strong competition from established foreign manufacturers, particularly from China, Japan, and Germany. Competing with their technological capabilities, product quality, and pricing can be challenging.

2. Limited Financing

- Access to financing is often restricted, impacting the industry's ability to invest in research, development, and expansion. Insufficient funding can hinder innovation and growth.

3. Skilled Labour Shortage

- A shortage of skilled labour affects the industry's ability to design, develop, and produce advanced machine tools. Addressing this skill gap through training and education is crucial for long-term success.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

4. Dependence on Imports

- Heavy reliance on imported components and technologies exposes the industry to supply chain disruptions and price volatility. Developing domestic capabilities and reducing dependence on imports can mitigate these risks.

5. Regulatory Challenges

- Navigating import regulations, taxes, and compliance requirements poses a challenge. Stringent regulations can complicate the import of components and the export of products.

6. Market and Technological Changes

- Rapid changes in market dynamics and technological advancements require continuous innovation. Failure to adapt quickly can lead to obsolescence and decreased competitiveness.

7. Technological Edge

- Maintaining a technological edge is essential for success. Indian manufacturers may struggle to keep up with global innovation and advancements, potentially leading to a competitive disadvantage.

COMPANY OVERVIEW

Established in 1983 and commencing operations in 1985 in Hyderabad, Lokesh Machines Limited ('LML' or 'the Company') has established itself as a specialist in manufacturing machine tools and auto components. The Company excels in producing Finish Cam & Crank Boring, Finish Barrel Boring, and Finish Joint Faces Milling machines. LML serves a diverse range of industries, including automotive, agri-implements, gas turbines, aerospace, defence, medical devices and railways. Renowned as a leading exporter of CNC machines, LML has built a robust global presence in markets such as Russia, the Middle East, Italy, and Turkiye, supported by a widespread dealer network spanning South Africa, Russia, Italy, Turkiye, and Bahrain.

In collaboration with IIT Madras, LML is dedicated to developing cost-effective, cutting-edge technologies. In the financial year 2023-24, the Company launched India's first indigenous laser-based direct energy deposition hybrid additive manufacturing machine. The Company has also refreshed its current range of machines with increased power, speeds and accessories. The Company's recent achievements also encompass notable revenue growth, improved profitability after tax (PAT), enhanced liquidity, and the addition of new territories.

LML successfully exported a pilot batch of CNC machines to USA and expanded its auto components division with a new 1600-tonne hot forging unit. Looking forward, LML is focussed on initiatives such as cost reduction, market expansion, diversification, product development, capacity enhancement, leadership investment, and continuous innovation. With strategic positioning in the defence and auto components sectors, LML remains committed to strengthening its core operations and exploring new growth avenues, ensuring a promising future.

Segment-Wise Performance

Machine Tools Division

LML effectively navigated rising commodity prices and supply chain disruptions through strategic supply chain management and stringent cost controls. The Company's machine tools division is segmented into general purpose machines, special purpose machines, and automation. The general-purpose category includes cnc turning centres, vertical machining centres, drill and tap centres, vertical turning lathes, and horizontal machining centres. The special purpose segment comprises milling machines, drilling machines, boring machines, and transfer lines. In the automation segment, LML offers gantry automation, robotic automation, 4th Axis Automation, and customisation of standard machines. The Company has successfully expanded its presence in the non-automotive sector and expects this growth trend to continue. By consistently enhancing technological competencies and increasing cost competitiveness, LML is effectively broadening its market reach, making significant strides in both domestic and international markets.

Component Division

The component division is segmented into the auto components and defence divisions, respectively. LML brings extensive expertise to the automobile sector, specialising in the production of auto components such as Cylinder Blocks, Cylinder Heads, Connecting Rods, and Forgings. Despite facing a significant surge in demand, the Company has adeptly managed to control costs and minimise investments by leveraging continuous improvement practices like Kaizens, and Poka Yoke, among others. In the defence sector, LML has initially ventured into small arms with a portfolio, including the 9x19 Sub Machine Gun and the 7.62x51 Light Machine Gun. These strategic initiatives underscore LML's commitment to enhancing its technological capabilities, maintaining cost efficiency, and expanding its market footprint across both automotive and defence sectors.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

OUTLOOK

Machine Tool Industry

LML is set to capitalise on the increasing adoption of CNC technology and automation, which are driving productivity and precision in sectors such as aerospace, defence, medical devices, and motorsports. The influence of Industry 4.0, with its emphasis on AI, big data, and robotics, is enhancing efficiency and reducing errors. Despite challenges like a shortage of skilled labour and issues with standardisation in industrial communication, LML is poised for significant growth. The automotive industry's resurgence, bolstered by initiatives like the 'Production-Linked Incentives' and 'Vehicle Scrappage Policy,' is expected to boost the global competitiveness of the Indian market. In response, LML is expanding its manufacturing and marketing capabilities and upgrading its technology through strategic partnerships with leading European and South Asian firms. These efforts will enable LML to meet rising demand and explore new opportunities in both automotive and non-automotive industries.

FINANCIAL PERFORMANCE AND KEY FINANCIAL RATIOS

In 2023-24, LML experienced substantial growth, with revenue from operations reaching ₹ 29,353.99 Lakhs, up from ₹ 24,030.24 Lakhs in 2022-23, marking an approximate 22.15 % increase. The Company's net profit after tax for 2023-24 was ₹ 1,384.79 Lakhs, a notable rise compared to the ₹ 967.35 Lakhs profit recorded in 2022-23.

Particulars	Numerator	Denominator	2023-24	2022-23	Variance %	Reason for Variance
(a) Current Ratio	Current Assets	Current Liabilities	1.41	1.31	8	Not Applicable
(b) Debt-Equity Ratio	Debt	Equity	0.60	0.55	9	Not Applicable
(c) Debt Service Coverage Ratio	EBITDA	Interest + Principal	1.82	1.78	2	Not Applicable
(d) Return on Equity Ratio	PAT	Average Equity	7.80%	6.27%	24	Not Applicable
(e) Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	2.56	2.28	12	Not Applicable
(f) Trade Receivables Turnover Ratio	Net Sales	Average Trade Receivable	6.58	5.68	16	Not Applicable
(g) Trade Payables Turnover Ratio	Net Purchases	Average Trade Payable	5.21	5.25	1	Not Applicable
(h) Net Capital Turnover Ratio	Net Sales	Working Capital	5.34	5.86	9	Not Applicable
(i) Net Profit Ratio	PAT	Net Sales	4.72%	4.03%	17	Not Applicable
(j) Return on Capital Employed	EBIT	Average Capital Employed	11.04%	10.10%	9	Not Applicable
(k) Return on Investment	PAT	Average Equity	NA	NA		

Note: As per Schedule V of SEBI (LODR) Regulations, 2015, explanation for variance in key financial ratios is not applicable since it is within the limit of 25% or more.

RISKS AND CONCERNS

The machine tools industry is highly sensitive to global economic fluctuations, with a direct correlation between sales and manufacturing expenditures. Consequently, an economic downturn can lead to a significant revenue decline for the industry. Intense competition, particularly from new entrants in low-cost manufacturing regions, further pressures prices and margins. The sector is also heavily influenced by trends in the automotive industry, which is a significant consumer of machinery. The cyclical nature

of the automotive sector impacts demand for machine tools, affecting order volumes. Additionally, the industry faces challenges related to a shortage of skilled labour necessary for design, manufacturing, and maintenance, which can reduce productivity and increase labour costs. LML is proactively addressing these risks by focussing on export orders and diversifying into non-automotive sectors, yielding positive results. The Company has implemented effective risk management strategies, including identifying and prioritising risks, streamlining mitigation measures,

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

and regularly monitoring their effectiveness. This careful monitoring, combined with judicious caution and cutting-edge innovation, is crucial for maintaining margins in a competitive landscape.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) INITIATIVES

ESG principles are integral to the Company's operational strategy, underscoring its commitment to sustainability, social responsibility, and rigorous governance. The Company embeds these principles into its business practices to ensure long-term success and value creation.

Environmental Stewardship

LML is dedicated to minimising its environmental impact through targeted initiatives. The Company focusses on optimising resource usage, adopting sustainable practices, and reducing emissions. Key efforts include efficient energy management and water conservation practices such as rainwater harvesting. The Company's zero-waste commitment is central to its environmental strategy, with ongoing efforts to transform all facilities into net-zero waste operations. LML continuously invests in innovative technologies and circular manufacturing practices to enhance resource efficiency and promote recycling.

Social Responsibility

LML channels resources into programmes that support community development and employee well-being. In partnership with various NGOs, the Company contributes to the Mid-Day Meal Programme, for school children. Additionally, the Company prioritises skill development projects that expand career prospects and refine individual talents. Internally, LML invests in learning and development programmes to equip employees with the skills necessary to excel. The Company fosters a vibrant work culture that promotes collaboration, innovation, and inclusivity, recognising that diverse perspectives drive progress.

Governance Excellence

Governance at LML is characterised by a strong commitment to transparency, accountability, and ethical conduct. The Company's governance framework is built on integrity and responsibility, ensuring protection of stakeholder interests and adherence to high standards. With a leadership team that collectively brings over 300 years of experience, including two Non-Executive Directors and three Whole-Time Directors, LML is well-positioned to drive strategic excellence. The Company's robust policy framework

supports a harmonious work-life balance, professional growth, and exemplary conduct, maintaining a firm stance against harassment.

THE WAY FORWARD

Looking forward, LML remains resolute in its commitment to ESG principles. The Company plans to expand its environmental and social initiatives, integrating more sustainable practices and community-focussed programmes into its operations. The governance framework will continue to evolve to meet the highest standards of ethical rigour and transparency. Through these ongoing efforts, LML aims to build a resilient, innovative, and responsible organisation that delivers lasting value to all stakeholders.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

LML maintains effective internal control systems that are appropriate to its size. These are complemented by an internal audit conducted by external Chartered Accountants. The internal auditors assess the performance of various departments, functions, and locations, including compliance with statutory requirements as per an annual audit plan developed in collaboration with the Audit Committee. Their findings and recommendations are reported to the Audit Committee of the Board of Directors, which includes three Independent Directors and one Executive Director. The Audit Committee reviews these audit findings, oversees the implementation of recommendations and corrective actions, and recommends broader audit coverage as needed.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

LML considers its employees to be its most valuable asset and places significant emphasis on fostering a positive work environment that encourages innovation and professional development. The Company invests substantially in training its workforce, ensuring they are adept with the latest technologies essential for their roles. By integrating technological advancements into its production processes, LML achieves efficient and cost-effective production. As of March 31, 2024, the Company employed a robust workforce of 645 employees (excluding managerial personnel).

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis report describing the Company's objectives, projections, or predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied.

ANNEXURE C

CORPORATE SOCIAL RESPONSIBILITY REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

1. CORPORATE SOCIAL RESPONSIBILITY POLICY OVERVIEW

The Company has framed its CSR policy in compliance with the provisions of the Companies Act, 2013 & the policy is duly approved by the Board of Directors.

To support and endeavor to bring about positive difference to communities where we exist. Through the CSR initiatives, the Company strives to provide equitable opportunities for sustainable growth, thereby aligning with our goal to build Lokesh Machines Limited into an organisation which maximises Stakeholders Value.

The Company would engage in activities whereby business further contributes to make a positive and distinguishing impact on the environment, customers and other stakeholders.

Core areas as per the CSR Policy include Education, Rural development, reducing inequalities faced by backward classes and benefits for Community at large and Environment etc.

The Company's CSR policy can be accessed on: <https://www.lokeshmachines.com/investment-center.php?key=csr>

2. COMPOSITION OF CSR COMMITTEE (AS ON MARCH 31, 2024)

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	B.R. Mahesh	Non- Executive Independent Director/ Chairperson	1	1
2.	S.S. Raman	Non- Executive Independent Director/Member	1	0
3.	M. Lokeswara Rao	Managing Director/Member	1	1
4.	M. Srinivas	Whole-time Director/Member	1	1
5.	M. Srikrishna	Whole-time Director /Member	1	1
6.	M. Likhitha	Non-Executive Director/Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

The Composition of CSR committee	https://www.lokeshmachines.com/investment-center.php?key=csr
CSR Policy and CSR projects	

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

During the financial year under review, the provisions of sub-rule (3) of rule 8 the Companies (Corporate Social responsibility Policy) Rules, 2014 related to Impact assessment of CSR projects are not applicable on your Company.

- | | | |
|----|---------------------------------------------------------------------------------------------------------|-------------------|
| 5. | (a) Average Net Profit of the Company as per Section 135(5) of Companies Act, 2013 | 9,75,98,364.00 |
| | (b) 2% of Average Net Profit of the last three financial years | 19,51,967.00 |
| | (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years | 0.00 |
| | (d) Amount required to be set off for the financial year, if any | 19,50,000.00 |
| | (e) Total CSR obligation for the financial year (b+c-d).] | 1,967.00 |
| 6. | (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): | 1,06,155 |
| | (b) Amount spent in administrative overheads: | NIL |
| | (c) Amount spent on Impact Assessment, if applicable: | NA |
| | (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. | ₹ 1,06,155 |

ANNEXURE C
CORPORATE SOCIAL RESPONSIBILITY REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024 (Contd.)

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (₹)	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer.
1,06,155	-	-	-	-	-

(f) Excess amount for set-off, if any:

S. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

Note: During the financial year ended on March 31, 2023, the Company proposed to set-off excess amount spent during that financial year to the extent of ₹ 32,50,000/-. Furthermore, during the current financial year, the Company has set off ₹ 19,50,000/- and remaining 13,00,000/- is propose for set-off in the following years.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not Applicable

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Year (in ₹)	Deficiency, if any
					Amount	Date of Transfer		
1	FY-1	-	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

Place: Hyderabad
Date: August 14, 2024

Sd/-
M. Lokeswara Rao
(Managing Director)
(DIN: 00989447)

Sd/-
B.R. Mahesh
(Chairperson CSR Committee)
(DIN: 00810019)

ANNEXURE D

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Our Company is committed to upholding a robust system of corporate governance that safeguards the interests of all stakeholders. We believe that transparent business operations and accountable management are crucial for maintaining high standards of governance across all areas of our business.

We are dedicated to continuously enhancing our corporate governance practices. By adopting and adhering to best practices and striving for ongoing improvements, we aim to foster a culture of excellence and integrity throughout our organisation.

Your Company confirms its compliance with corporate governance, the details of which are given below:

II. BOARD OF DIRECTORS

Composition, Attendance and Meetings

The Company's policy is to maintain an optimum combination of Executive, Non-executive, and Independent directors on its board. The Directors are having wide range of expertise and experience in diverse fields which bring the Company a wide range of skills. The Board of Directors along with its committees provides leadership and guidance to the management.

As on March 31, 2024, the Company's Board comprises 9 directors: four Executive Directors, three Independent Directors, and two Non-Executive Directors, including one Woman Director.

The Company has a Non-Executive and Independent Chairman, a Managing Director and three Whole-time Directors. The Managing Director and Whole-time Directors are responsible for the conduct of the business and the day-to-day affairs of the Company.

Mr. M. Lokeswara Rao, Mr. M. Srinivas, Mr. M. Srikrishna and Ms. M. Likhitha are related to each other. There is no inter-se relationship among other directors of the Company.

Name of the Director	Inter se Relationship
Mr. Mullapudi Lokeswara Rao	Father of M. Srinivas and M. Srikrishna
Mr. Mullapudi Srinivas	Son of M. Lokeswara Rao & Brother of M. Srikrishna
Mr. Mullapudi Srikrishna	Son of M. Lokeswara Rao & Brother of M. Srinivas
Ms. Mullapudi Likhitha	Daughter of M. Srinivas

During the year under review, Nine Board Meetings were held on April 06, 2023, May 26, 2023, August 10, 2023, August 29, 2023, November 10, 2023, January 08, 2024, January 11, 2024, February 12, 2024, and March 25, 2024, with requisite quorum present throughout the meetings. Wherever required, the Company facilitates the participation of the Directors in Board / Committee meetings through video-conferencing or other audio-visual means.

Further the gap between two consecutive Board meetings held during the financial year was not more than 120 days.

The composition of the Board, designation, attendance particulars and the number of outside directorship and committee positions held by Directors of the Company as on March 31, 2024, are as follows:

Name of the Director/ (DIN)	Designation & Category	Attendance Particulars			No of other Directorships and Committee memberships / Chairmanships held (Only in Listed and Unlisted Public Companies)		
		Board Meetings during his Directorship		Last AGM	Other Directorships	Committee memberships including this Company (Audit & Stakeholder Committee)	Committee Chairmanships including this Company (Audit & Stakeholder Committee)
		Held	Attended				
B. R. Mahesh DIN :00810019	Chairman, Independent Non-Executive Director	9	9	Yes	-	1	1

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the Director/ (DIN)	Designation & Category	Attendance Particulars			No of other Directorships and Committee memberships / Chairmanships held (Only in Listed and Unlisted Public Companies)		
		Board Meetings during his Directorship		Last AGM	Other Directorships	Committee memberships including this Company (Audit & Stakeholder Committee)	Committee Chairmanships including this Company (Audit & Stakeholder Committee)
		Held	Attended				
M. Lokeswara Rao DIN :00989447	Promoter, Managing Director	9	9	Yes	1	-	-
B. Kishore Babu DIN: 00840630	Promoter, Whole Time Director	9	9	Yes	1	2	-
M. Srinivas DIN: 00917565	Promoter, Whole Time Director	9	8	Yes	1	1	-
M. Srikrishna DIN: 00841388	Promoter, Whole Time Director	9	7	Yes	-	1	-
K. Krishna Swamy DIN: 00840887	Promoter, Non-Executive Director	9	3	No	-	-	-
S.S. Raman DIN: 00214782	Independent Non-Executive Director	9	5	Yes	-	2	1
D. Balaji DIN: 01872392	Independent Non-Executive Director	9	6	Yes	-	1	-
M. Likhitha DIN: 08765043	Promoter, Non-Executive Director	9	8	Yes	1	-	-

Information on Directors appointment / re-appointment as required under the SEBI (LODR) Regulations 2015 with stock exchanges is given in the Explanatory Notes to the notice calling AGM.

To enable better and more focused attention to the affairs of the Company, the Board delegates particular matters to Committees of the Board set up for the purpose. At present the Board has constituted four Committees consisting of members of the Board.

These committees facilitate timely and efficient deliberations and decisions. These committees' function within their defined terms of reference in accordance with the Companies Act, 2013; the SEBI (LODR) Regulations, 2015 and as approved by the Board of Directors of the Company.

None of the directors on the Board is a member of more than ten committees nor the chairman of more than five committees across all companies in which they are directors.

Shareholdings of Non-Executive Directors as on March 31, 2024:

Mr. B. R. Mahesh, Mr. S.S. Raman and Mr. D. Balaji are the Non-Executive Independent Directors of the Company and do not hold any shares in the Company.

Further, Mr. K. Krishna Swamy, Non-Executive Non-Independent director of the Company holds 12,000 Equity Shares and Ms. M. Likhitha, Non-Executive Non-Independent director of the Board and a member of the Promoter Group of the Company holds 5,54,190 Equity Shares of the Company.

Familiarisation programme:

The Company follows a structural orientation and familiarisation programme through various internal policies/reports for all the directors with a view to update them on the Company's policies and procedures on a regular basis.

The details of the familiarisation programme are available on the website of the Company at the following link: <https://www.lokeshmachines.com/investment-center.php?key=familiarization-programme-for-independent-directors>

ANNEXURE D REPORT ON CORPORATE GOVERNANCE (Contd.)

Skills, expertise, and competencies of the board:

The Board on the recommendations of the Nomination and Remuneration Committee ('NRC') identified the following core skills/ expertise/ competencies of Directors as required in the context of business of the Company for its effective functioning: The Board possesses the identified skills, expertise and competencies as are required in the context of business of the Company. These are presented as a matrix below:

Areas/Fields	Skills/Competence/Expertise
Financial Management	Proficiency in Financial Management, Practical knowledge and experience in Corporate Finance, accounting and reporting and internal financial controls.
Business Development	Understanding diverse business environments, with a broad perspective of Indian and global business opportunities.
Sales and Marketing	Understanding Domestic and International automotive businesses.
Leadership/Strategy	Leadership experience in managing companies and associations including general management, leadership roles in large businesses, with competencies around strategy development & implementation, business administration/ operations and people management.
Industry and Technology	Possessing industrial, technical and operational expertise and experience in machinery, automobile and emerging technologies and associations with industrial bodies.
Governance/Regulatory	Having insight into maintaining effective Board and Management relationship, Protecting Stakeholders Interest/ Strong expertise and experience in regulatory compliance.

In terms of the requirement of the SEBI Listing Regulations, 2015, the individual skills, experience, competency, and expertise of each of the Directors of the Company is mapped to the core skills/ expertise/competencies of the Directors already identified by the Board, as furnished above, in the context of the Company's business for effective functioning and as available with the Board.

SKILLS / EXPERTISE / COMPETENCIES IDENTIFIED

Name of the Director	Financial Management	Business Development	Sales and Marketing	Leadership/ Strategy	Industry and Technology	Governance/ Regulatory
Mr. B.R. Mahesh	√	-	-	√	-	√
Mr. S.S. Raman	√	√	√	√	√	√
Mr. D. Balaji	√	√	√	√	√	√
Mr. K. Krishna Swamy	√	√	-	√	√	-
Mr. M. Lokeswara Rao	√	√	√	√	√	√
Mr. M. Srinivas	√	√	√	√	√	√
Mr. M. Srikrishna	√	√	√	√	√	√
Mr. B. Kishore Babu	√	√	√	√	√	√
Ms. M. Likhitha	√	√	√	√	√	√

Independent Directors:

The Independent directors have complied with the criteria of independence as per the Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and according to the provisions of section 149(6) of the Companies Act, 2013, the Company has also obtained declarations from all the Independent directors pursuant to section 149(7) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, the Independent directors of the Company fulfilled the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

ANNEXURE D REPORT ON CORPORATE GOVERNANCE (Contd.)

III. AUDIT COMMITTEE

a) Brief description of terms of reference

The Audit Committee of the Company is constituted in line with the provisions of the SEBI (LODR) Regulations, 2015 as well as the Companies Act, 2013.

The terms of reference of the Audit Committee are comprehensive and cover the matters specified for audit committees under the SEBI (LODR) Regulations, 2015 and under the Companies Act, 2013. The Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures.

b) Composition

The Audit Committee of the Company comprises of three Non-Executive Independent directors and one Executive Director. The Company Secretary of the Company acts as a secretary to the Committee. The Chief Financial Officer, Internal Auditor, Statutory Auditor and Cost Auditor are invitees to this Committee.

As on March 31, 2024, the Committee comprises of:

Sl. No.	Name of the Member	Designation
1.	Mr. B. R. Mahesh	Chairperson (Independent and Non-Executive Director)
2.	Mr. S.S. Raman	Member (Independent and Non-Executive Director)
3.	Mr. D. Balaji	Member (Independent and Non-Executive Director)
4.	Mr. M. Srinivas	Member (Executive Director)

c) Meetings and attendance during the year

During the period under review Six Audit Committee Meetings were held dated April 06, 2023, May 26, 2023, August 10, 2023, November 10, 2023, January 08, 2024, and February 12, 2024. The gap between the two Audit meetings was not more than 120 days.

The details of attendance of members of the Committee during the year are given below:

Sl. No.	Name of the Member	Number of meetings held during the tenure	Numbers of meetings attended
1.	Mr. B. R. Mahesh	6	6
2.	Mr. S. S. Raman	6	6
3.	¹ Mr. D. Balaji	2	2
4.	Mr. M. Srinivas	6	5

¹Mr. D. Balaji was appointed as member of the Committee w.e.f. 10.11.2023.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

IV. NOMINATION AND REMUNERATION COMMITTEE

a) Brief description of terms of reference

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company, to harmonise the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been approved by the Board of Directors of the Company. The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Regulation 19 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The terms of reference and NRC Policy can be accessed at <https://www.lokeshmachines.com/investment-center.php?key=policy>

ANNEXURE D REPORT ON CORPORATE GOVERNANCE (Contd.)

b) Composition

The Nomination and Remuneration Committee comprises of three Independent Directors and one Non-Executive Director, and the details are as under:

As on March 31, 2024, the Committee comprises of:

Sl. No.	Name of the Member	Designation
1.	Mr. S.S. Raman	Chairman (Independent and Non-Executive Director)
2.	Mr. B. R. Mahesh	Member (Independent and Non-Executive Director)
3.	Mr. D. Balaji	Member (Independent and Non-Executive Director)
4.	Ms. M. Likhitha	Member (Non-Independent and Non-Executive Director)

c) Meetings and attendance during the year

During the period under review, only one meeting of Nomination and remuneration committee was held on August 29, 2023.

The details of attendance of members of the Committee during the year are given below:

Sl. No.	Name of the Member	Number of meetings held during the tenure	Numbers of meetings attended
1.	Mr. S.S. Raman	1	1
2.	Mr. B. R. Mahesh	1	1
3.	Ms. M. Likhitha	1	1
4.	¹ Mr. D. Balaji	0	0

¹Mr. D. Balaji was appointed as member of the Committee w.e.f. November 10, 2023.

d) Performance Evaluation criteria for Independent Directors

The Board conducts an annual performance evaluation of Independent directors and based on that the Board is of the opinion that the independent directors on the Board of the Company possess a high level of qualification and extensive experience across various areas, including governance, business, industry, technology, and administration. Their expertise and presence on the Board are deemed advantageous, contributing significantly to informed and effective business decision-making.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship committee consists of one Independent Directors and two Executive Directors:

As on March 31, 2024, the Committee comprises of:

Sl. No.	Name of the Member	Designation
1.	Mr. S. S. Raman	Chairman (Independent and Non-executive Director)
2.	Mr. B. Kishore Babu	Member (Executive Director)
3.	Mr. M. Srikrishna	Member (Executive Director)

The Committee meets at frequent intervals, to approve inter-alia, transfer / transmission of shares, issue of duplicate share certificates, if any and review the status of investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.

The Committee maintains continuous interaction with the compliance officer and takes proactive steps and actions for resolving complaints/queries of the shareholders/investors.

ANNEXURE D REPORT ON CORPORATE GOVERNANCE (Contd.)

During the period under review two Stakeholders Relationship Committee Meetings were held on May 26, 2023 & February 12, 2024. The details of attendance of members of the Committee during the year are given below:

Sl. No.	Name of the Member	Number of meetings held during the tenure	Numbers of meetings attended
1.	Mr. S. S. Raman	2	2
2.	Mr. B. Kishore Babu	2	2
3.	Mr. M. Srikrishna	2	2

Compliance Officer

Mr. Gurprit Singh was appointed as Company secretary and compliance officer of the Company with effect from June 16, 2021.

The designated e-mail id of the grievance redressal division of the Company is -cosecy@lokeshmachines.com.

Details of Investor's Complaints received and resolved during the year:

Sl. No.	Particulars	Comments
1.	Number of shareholders' complaints received during the year ended March 31, 2024.	3
2.	Number of complaints not resolved to the satisfaction of shareholders	0
3.	Number of pending complaints at the end of the year	1

Note1: During the financial year ended on March 31, 2024, the Company received three Stakeholders complaints. The Company submitted necessary replies to the concerned authorities and furthermore the complaint pending at the end of the financial year as disclosed above was also resolved on July 5, 2024.

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has set up a Corporate Social Responsibility Committee for the Company which decides CSR Policies and activities of the Company. The committee monitors and reviews the CSR policy periodically and attends to such other matters and functions as may be prescribed from time to time.

As on March 31, 2024, the Corporate Social Responsibility Committee consists of Six members namely:

Sl. No.	Name of the Member	Designation
1.	Mr. B. R. Mahesh	Chairperson (Independent and Non-executive Director)
2.	Mr. S. S. Raman	Member (Independent and Non-executive Director)
3.	Mr. M. Lokeswara Rao	Member (Executive Director)
4.	Mr. M. Srinivas	Member (Executive Director)
5.	Mr. M. Srikrishna	Member (Executive Director)
6.	Ms. M. Likhitha	Member (Non-executive Director)

During the period under review one Corporate Social Responsibility Committee Meeting was held on March 04, 2024. The details of attendance of members of the Committee during the year are given below:

Sl. No.	Name of the Member	Number of meetings held during the tenure	Numbers of meetings attended
1.	Mr. B. R. Mahesh	1	1
2.	Mr. S. S. Raman	1	0
3.	Mr. M. Lokeswara Rao	1	1
4.	Mr. M. Srinivas	1	1
5.	Mr. M. Srikrishna	1	1
6.	Ms. M. Likhitha	1	1

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

VII. SENIOR MANAGEMENT:

The Board has designated below mentioned personnel as Senior Management of the Company:

Sl. No.	Name	Designation
1.	Mr. V. Sudhakara Reddy	Chief Financial officer
2.	Mr. C. Venkatanna	General Manager (P&IR)
3.	Ms. Jhimli Ghosh	Dy. General Manager - HR
4.	Mr. Gurprit Singh	Company Secretary & Compliance Officer

Further, there was no change in the Senior Management during the year.

VIII. REMUNERATION OF DIRECTORS

a) All pecuniary relationships or transactions of the non-executive directors vis-à-vis the listed entity.

During the year there was no pecuniary relationship or any transaction with the Non-Executive Directors and they did not receive any remuneration. Furthermore, Non-Executive Independent Directors receive sitting fees for attending the meetings of the Board and Committees thereof.

The details of sitting fees paid to all the Non-Executive Independent Directors for the year 2023-24 is given below:

Name of Director	Sitting Fees paid (In Lakhs)
Mr. B. R. Mahesh	1.7
Mr. D. Balaji	0.9
Mr. S.S. Raman	1.5

b) Criteria of making payments to Non-executive Director

Criteria of making payments to Non-executive Director can be accessed on Company website at <https://www.lokeshmachines.com/investment-center.php?key=policy>

c) Remuneration paid to Executive Directors

During the period under review, the remuneration paid/payable to the executive directors including the Managing Director is as follows:

(In Lakhs)

Name of the Director	Fixed Salary	Other Allowance	Commission	Total
Mr. M. Lokeswara Rao (Managing Director)	60.00	0	0	60.00
Mr. B. Kishore Babu (Whole-time Director)	54.00	0	0	54.00
Mr. M. Srinivas (Whole-time Director)	78.00	0	0	78.00
Mr. M. Srikrishna (Whole-Time Director)	78.00	0	0	78.00

Notes:

- The Company provides only remuneration in the form of salary to the Executive Directors of the Company and sitting fees to Non-executive Independent Directors as mentioned above in point no. VIII (a) & (c) of this report.
- The Company is only paying salary as fixed component and there no performance linked incentives
- The appointment/re-appointment and other terms and conditions are approved by the Shareholders.
- During the year under review, the Company has not granted any stock options to any Director of the Company. However, the Company has issued warrants to the above directors and details are disclosed in the Directors Report.

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

IX. GENERAL BODY MEETINGS:

Details of the location and time of the last three Annual/Extra-ordinary General meetings held are as follows:

Year	Type	Venue	Date	Time
2020-21	37 th AGM	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	September 28, 2021	11.00 A.M.
2021-22	38 th AGM	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	September 28, 2022	11.00 A.M.
2022-23	39 th AGM	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	September 28, 2023	11.00 A.M.
2023-24	EGM	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	December 04, 2023	11.00 A.M.

Special resolutions

The following are the special resolutions passed at the previous General meetings held in the last three years:

AGM/EGM held on	Whether Special resolution passed	Summary of the resolution
September 28, 2021	6	<ol style="list-style-type: none"> 1. Re-appointment of Mr. M. Lokeswara Rao (DIN: 00989447) as Managing Director of the Company. 2. Re-appointment of Mr. B. Kishore Babu (DIN: 00840630) as a Whole time Director of the Company. 3. Re-appointment of Mr. M. Srinivas (DIN: 00917565) as a Whole time Director of the Company. 4. Re-appointment of Mr. M. Srikrishna (DIN: 00841388) as a Whole time Director of the Company. 5. Approval for Continuation of Mr. K. Krishna Swamy (DIN: 00840887) as Non-Executive Director of the Company. 6. Alteration in Object Clause of the Memorandum of Association of the Company.
September 28, 2022	4	<ol style="list-style-type: none"> 1. Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013. 2. Adoption of Articles of Association as per the provisions of the Companies Act, 2013. 3. To Appoint Mr. S. S. Raman (DIN: 00214782) as a Non-executive Independent Director. 4. Approval for Continuation of Mr. K. Krishna Swamy (DIN: 00840887) as Non-Executive Director of the Company.

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

AGM/EGM held on	Whether Special resolution passed	Summary of the resolution
September 28, 2023	4	<ol style="list-style-type: none"> Increase in borrowing limits from 100 Cr. to 200 Cr. or the aggregate of the paid-up capital, free reserves and securities premium of the Company, whichever is higher. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings. Revision in the remuneration of Mr. Mullapudi Lokeswara Rao (DIN: 00989447), Managing Director of the Company. Approval for Continuation of Mr. K. Krishna Swamy (DIN: 00840887) as Non-Executive Director of the Company.
December 04, 2023	3	<ol style="list-style-type: none"> Increase in the authorised share capital and alteration of the capital clause in the memorandum of association of the Company. To create, offer, issue and allot equity shares on preferential basis. To create, offer, issue and allot warrants on preferential basis

Postal Ballot:

During the year under review, the Company has not passed any resolution through Postal Ballot.

Special resolutions proposed to be conducted through Postal Ballot:

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot. Any special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

Procedure for Postal Ballot:

The procedure for Postal Ballot shall be as per the provisions contained in this behalf in the Companies Act, 2013 and Rules made there under, viz., Companies (Management and Administration) Rules, 2014 and any amendments thereof from time to time. Electronic voting facility has been provided to all members, to enable them to cast their votes electronically. The members had the option to vote either by physical ballot or e-voting.

X. MEANS OF COMMUNICATION

The quarterly/half-yearly/annual financial results of the Company are sent to the stock exchanges immediately after they are approved by the Board and are also uploaded on the website of the Company at <https://www.lokeshmachines.com/investment-center.php?key=financial-results> .

The quarterly/half-yearly/annual financial results of the Company are generally published in Financial Express (English) and Nava Telangana (Telegu) newspaper.

The Company's website <https://www.lokeshmachines.com> contains a separate dedicated section "Investor Center" where latest information for shareholders is available. The quarterly/half-yearly/annual financial results of the Company are simultaneously posted on the website. The Company's website also displays the Investors Presentation submitted by the Company for the information of shareholders.

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

XI. GENERAL SHAREHOLDER INFORMATION

a.	Registered Office (Address for correspondence)	B-29, EEIE, Stage II, Balanagar, Hyderabad - 500037, Telangana Phone: (040) 23079310 /311/312 /313 Email: cosecy@lokeshmachines.com
b.	Venue of Annual General Meeting	The 40th AGM shall be held through Video Conferencing / Other Audio-Visual Means on September 27, 2024, at 11:00 A.M.
c.	Financial Year	April 01 to March 31
d.	Financial Calendar (Tentative)	a) Annual General Meeting: On September 27, 2024 b) Results for the quarter ending June 30, 2024: 2nd Week of August 2024 c) Results for the quarter ending September 30, 2024: on or before 2nd Week of November 2024 d) Results for the quarter ending December 31, 2024: on or before 2nd Week of February 2025 e) Results for the Year ending March 31, 2025: on or before May 30, 2025
e.	Date of Book Closure	September 21, 2024, to September 27, 2024 (Both days inclusive)
f.	Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai, Maharashtra 400001 National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051 Annual Listing fees have been paid for both BSE & NSE.
g.	Liquidity	The shares of the Company are listed on BSE and NSE and are frequently traded.
h.	Stock Code	532740(BSE), LOKESHMACH (NSE)
i.	Dematerialisation of shares and liquidity	The Company's equity shares are available for dematerialisation on both the Depositories i.e. 1. National Securities Depository Ltd Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013 2. Central Depository Services (India) Ltd Marathon Futurex, A-Wing, 25thfloor, NM Joshi Marg, Lower Parel, Mumbai 400013 The International Securities Identification Number (ISIN) allotted to the Company's scrip is ISIN: INE397H01017. 99.99% of equity shares are held in dematerialised form as on March 31, 2024.
j.	Outstanding global depository receipts (GDR) or American depository receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity;	During the year, the Company did not issue any GDRs, ADRs or any other convertible instruments other than Warrants. The Company issued 15,00,000 (Fifteen Lakh) warrants at ₹ 243.25/- each (including premium of ₹ 233.25/- each) convertible into Equity Shares of the Company to the promoters of the Company by way preferential issue on January 11, 2024, and the same are pending conversion.

**ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)**

k.	Credit Rating along with revision thereof.	<p>During the year under review your Company has obtained the Credit Rating from Acuite Ratings & Research Limited which is as follows:</p> <p>Long-Term Rating: ACUITE BBB Stable Upgraded.</p> <p>Short-Term Rating: ACUITEA3+ Upgraded</p> <p>Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") your Company has intimated to the stock exchanges the credit ratings, obtained.</p>
l.	Registrar and Share Transfer Agent's Contact Address	<p>KFin Technologies Ltd.</p> <p>Selenium Building, Tower B, Plot No.31&32, Financial District, Nanakramaguda, Serilingampally, Hyderabad - 500 032</p> <p>Phone: +91 40 67161524</p> <p>Toll Free No.: 1800 3094 001</p> <p>E-mail: einward.ris@kfintech.com</p> <p>Web Site: www.kfintech.com</p> <p>WhatsApp Number: (91) 910 009 4099</p> <p>KPRISM(Mobile Application): https://kprism.kfintech.com/</p> <p>KFINTECH Corporate Website: https://www.kfintech.com</p> <p>RTA Website: https://ris.kfintech.com</p> <p>Investor Support Centre (DIY Link): https://ris.kfintech.com/clientservices/isc</p> <p>Note: Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.</p>
m.	Share transfer system	<p>SEBI vide its notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2019, notified that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository and came into effect from April 01, 2019. However, transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019, as per the clarification made by SEBI vide PR No.:12/2019 dated Mar 27, 2019. Therefore, transfers in physical form for those shares are registered by the Registrar and Share Transfer Agents immediately on receipt of completed documents and certificates are issued within 7 days of date of lodgment of transfer. A summary of transfer/ transmission of securities, if any of the Company is placed at every Stakeholder's Relationship Committee. The Company obtains from a Company Secretary in Practice yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 and files a copy of the said certificate with Stock Exchanges.</p>

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

n.	Details of Compliance Officer	<p>Gurprit Singh Company Secretary and Compliance Officer</p> <p>Lokesh Machines Limited B-29, EEIE Stage-II Balanagar, Hyderabad-500 037, Telangana, India. Phone: (040) 23079310 /11/12 /13 CIN: L29219TG1983PLC004319 Email ID: cosecy@lokeshmachines.com</p>
o.	Plant locations	<ul style="list-style-type: none"> • Temple Road, Bonthapally, Medak District, Telangana • B-25 & 36, EEIE, Stage II, Balanagar, Hyderabad-500037, Telangana. • Plot No 41, IDA, Balanagar, Hyderabad – 500037, Telangana. • Ravalkol Village, Medchal Mandal, Rangareddy Dist, Telangana. • Sy.No.148, Kallakal Village, Manoharabad Mandal, Medak District, Telangana • Plot No. D-260/1, MIDC Ranjangaon Industrial Area, Tal-Shirur, Dist-Pune, PIN-412220, Maharashtra.

Market price data

The Company's shares are traded on BSE Limited and The National Stock Exchange of India Limited.

Monthly high and low quotations of equity shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for 2023-24 were as follows:

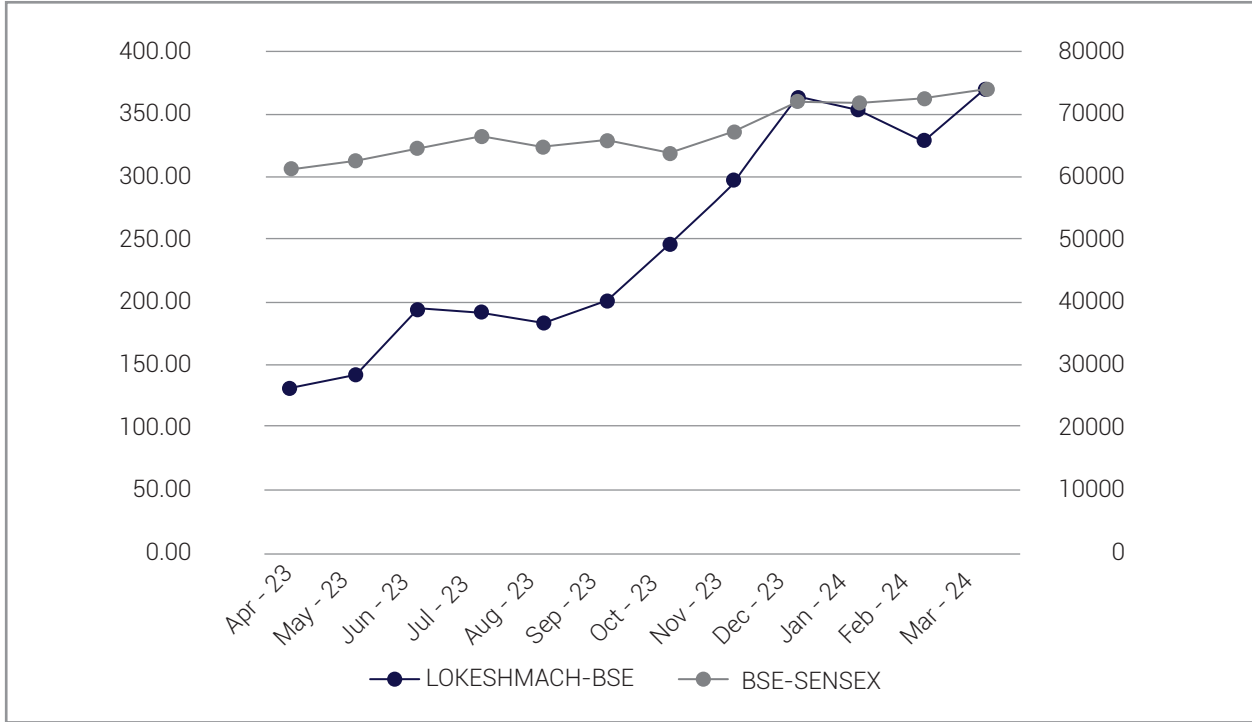
Market Price and Index Data High, Low during each month in Last financial year

Months	Lokesh Machines Ltd. (BSE)		Lokesh Machines Ltd. (NSE)	
	High	Low	High	Low
Apr 23	137.00	106.00	137.30	108.15
May 23	172.00	132.95	171.90	131.40
Jun 23	218.90	142.55	219.00	141.70
July 23	204.05	182.15	204.95	182.90
Aug 23	210.20	176.00	210.00	175.10
Sep 23	223.90	177.00	224.25	175.50
Oct 23	263.20	201.15	264.00	200.85
Nov 23	315.00	241.60	315.00	245.85
Dec 23	391.70	270.05	391.50	281.55
Jan 24	412.95	334.95	413.40	340.00
Feb 24	394.95	320.30	394.95	319.75
Mar 24	395.00	270.65	395.00	271.50

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

Company's Share Price performance in comparison with BSE-SENSEX

The Shares of the Company are regularly traded and in no point of time the Shares were suspended for trading in any of the Stock Exchanges wherein the Company's Shares are listed



Distribution of shareholding with various categories as on March 31, 2024

Sl. No.	Category (Amount)	Total Cases	Total Cases %	Total Shares	Total Amount	Total Amount %
1	1-5000	17,163	88.533	16,96,416	1,69,64,160	9.17
2	5001- 10000	1,047	5.4008	8,51,063	85,10,630	4.60
3	10001- 20000	521	2.6875	7,85,494	78,54,940	4.25
4	20001- 30000	198	1.0214	5,03,468	50,34,680	2.72
5	30001- 40000	100	0.5158	3,57,657	35,76,570	1.93
6	40001- 50000	70	0.3611	3,33,838	33,38,380	1.80
7	50001- 100000	145	0.748	10,69,851	1,06,98,510	5.78
8	100001 & Above	142	0.7325	1,28,98,983	12,89,89,830	69.74
Total		19,386	100	1,84,96,770	18,49,67,700	100.00

Transfer of unclaimed dividend to Investor Education and Protection Fund

Pursuant to Section 124 and other applicable provisions of the Act, dividend which remains unpaid or unclaimed for a continuous period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to the Investor Education and Protection Fund ('IEPF'), established by the Central Government under the provisions of Section 125 of the Act.

Shareholders are informed that our Company last declared dividend in the financial year 2015-16 and all the unpaid dividend and underlying shares have been transferred to the account specified by the IEPF Authority.

ANNEXURE D REPORT ON CORPORATE GOVERNANCE (Contd.)

Details and web-link for the benefit of the Shareholders are mentioned hereunder: -

S. No.	Particulars	Web-link
1.	To claim the unclaimed dividend and underlying shares shareholders are requested to submit Web form IEPF-5 (Kindly note that the above form will be submitted after login on the MCA V3 Portal.)	https://www.mca.gov.in/content/mca/global/en/home.html
2.	Shareholders are also requested to read the instructions provided on the website/instruction kit along with the Web-form carefully before filling the form and the same can be accessed at	https://www.mca.gov.in/content/dam/mca-aem-forms/instructionkits/Instruction_Kit_Form_No_IEPF_5.pdf
3.	Details of shareholders whose unpaid dividend has been transferred to IEPF Authority account can be accessed at	https://www.lokeshmachines.com/investment-center.php?key=unpaidunclaimed-dividend
4.	Details of shareholders whose underlying shares has been transferred to IEPF Authority account can be accessed at	https://www.lokeshmachines.com/investment-center.php?key=shareholder-list-for-transfer-to-iepf
5.	Contact Details of Nodal Officer can be accessed at	https://www.lokeshmachines.com/investment-center.php?key=shareholders-desk05-57-30

Corporate Ethics:

The Company adheres to high standards of business ethics, compliance with various statutory and legal requirements and commitment to transparency in business dealings.

The Company has adopted a code of conduct for fair disclosure of unpublished price sensitive information (UPSI) in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended) for prevention of insider trading by its promoter, management, staffs and directors. The code is applicable to all Promoters/promoter group, directors, designated employees and their dependents.

The code lays down guidelines and procedures to be followed and also disclosures to be made by the Promoters/promoter group, directors, designated employees and their dependents while dealing with shares of the Company. They are prohibited from dealing in securities of the Company during the "Restricted Trading Periods" notified by the Company from time to time.

The said code has been circulated to all the concerned persons. The Company Secretary of the Company is appointed as Compliance Officer and is responsible for adherence to the code.

Shareholding pattern as on March 31, 2024

Category	No. of shareholders	No. of Shares	% of Shareholding
INDIAN PROMOTERS	23	93,88,308	50.76
RESIDENT INDIVIDUALS	18061	79,89,982	43.20
BODIES CORPORATES	103	5,30,127	2.87
HUF	420	2,71,652	1.47
NON-RESIDENT INDIANS	228	2,01,504	1.09
IEPF	1	54,740	0.30
FOREIGN PORTFOLIO - CORP	2	49,457	0.27
KEY MANAGEMENT PERSONNEL	1	11,000	0.06
Total	18839	1,84,96,770	100

ANNEXURE D REPORT ON CORPORATE GOVERNANCE (Contd.)

XII. OTHER DISCLOSURES

Related Party Transactions

No transaction of a material nature was entered into by the Company with the related parties i.e., Directors, Promoters or the management or relatives conflicting with the Company's interest. Transactions with the related parties are disclosed in note No. 40 of notes to the financial statements in the Annual Report. Also, Related Party Transactions are approved by Audit Committee and then ratified by the Board in their duly convened meeting. Policy of dealing with Related Party can be accessed at Company website at <https://www.lokeshmachines.com/investment-center.php?key=policy>

Disclosure of Accounting Treatment:

In the preparation of financial statements, the Company has adopted "IND AS" with effect from April 01, 2017. Accordingly, the financial statements for the year 2023-24 have been prepared in compliance with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of Companies Act, 2013.

Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

S. No.	Financial Year	Details of Non-compliance	Penalty Levied	Directors Comment
1.	2021-22	-	-	-
2.	2022-23	-	-	-
3.	2023-24	-	-	-

During the financial year 2023-24, there is no non-compliance of any of the Corporate Governance requirement under SEBI (LODR) Regulations, 2015 or the Companies Act, 2013.

Whistle Blower /Vigil Mechanism:

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy/Vigil Mechanism ("the Policy"), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and no personnel have been denied access to the audit committee.

Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds/assets etc. A whistle-blowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company at <https://www.lokeshmachines.com/investment-center.php?key=policy>

Utilisation of funds raised through preferential allotment

During the year under review, the Company raised funds by issuing equity shares and warrants through preferential issue. The details of utilisation of such funds are as follows:

Particulars	In Cr.
Amount raised through issue of Equity Share	14.59
Amount raised through issue of Warrants (Received 25% towards warrants subscription)	9.12
Total Amount raised	23.72
Less: -	
Repayment of Unsecured Loans	8.95
Capital Expenditure (CAPEX)	10.54
Working Capital	4.23
Total remaining amount	0.00

ANNEXURE D REPORT ON CORPORATE GOVERNANCE (Contd.)

Certificate from Practicing Company Secretary:

The Company has received a certificate from the Practicing Company Secretary that none of the directors of the Company have been debarred or dis-qualified from being appointed as Director by SEBI / MCA/ or any other statutory authority.

There was no instance of any non-acceptance by the Board of Directors of the recommendations of any Committee of the Board, where it is mandatorily required, during the financial year under review. The certificate forms part of this report as **Annexure D1**

Fees paid to Statutory Auditor on a consolidated basis:

During the financial year ended on March 31, 2024, the Company paid ₹ 5,00,000/- (Rupees Five Lakh Only) to its statutory auditor, as indicated in the financial statements.

The Company has engaged an Independent Statutory Auditor for the purpose of conducting its audit. It is important to note that the Company operates as a single entity without any subsidiaries or associates. Therefore, there are no entities within a network firm or network entity of which the Statutory Auditor is a part.

Sexual Harassment at workplace:

The Company has formed an Internal complaint committee for reporting the cases of Sexual Harassment in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of the same are as mentioned below:

S. No.	Particulars	Details
1.	Number of complaints filed during the financial year	-
2.	Number of complaints disposed of during the financial year	-
3.	Number of complaints pending as on end of the financial year	-

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company during the financial year complied all the mandatory requirements under the Regulations of SEBI (LODR) Regulations, 2015, further following are the non-mandatory requirements as specified in Part E of Schedule II that were adopted by the Company:

S. No.	Details	Comments
1.	The Board- A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.	The Company has appointed a Non-executive Independent Chairman and sitting fees within the limit prescribed under the Companies Act, 2013 read with rules made thereunder is being paid to the Chairman.
2.	A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	The Company will consider implementing this non-mandatory requirement in the coming years.
3.	The listed entity may move towards a regime of financial statements with unmodified audit opinion.	During the financial year 2023-24, the Statutory Auditors have issued the Statutory Audit Report or Limited Review Report as the case may be with unmodified Audit opinion.
4.	Separate posts of Chairperson and the Managing Director or the Chief Executive Officer	The Company has appointed a separate Chairperson who is a Non-executive Independent Director and is not related to the Managing Director.
5.	The internal auditor may report directly to the audit committee.	The Quarterly Internal Audit Report is being directly placed before the Audit Committee before the same is placed before the Board.

ANNEXURE D REPORT ON CORPORATE GOVERNANCE (Contd.)

Code of Conduct

The Company has adopted the Code of Conduct which is applicable to the members of the Board and top management of the Company. The Code of Conduct is available on the Company's website at <https://www.lokeshmachines.com/investment-center.php?key=policy>.

All directors and senior management personnel have affirmed compliance with the code of conduct and submitted declarations in this behalf for the year ended March 31, 2024. The same is attached as **Annexure D3**.

Compliance Certificate from Auditors or Company Secretary:

The Company has obtained a certificate confirming the compliance with the Conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is attached to this report as **Annexure D2**.

Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

During the year the Company did not give any loans of advances to any firm/company in which the Directors of the Company are interested. However, the Company has given advance not in the nature of loan for purchase of capital asset to MLR Motors Limited and the details are mentioned in Note No. 40 of the financial statement.

Details of material subsidiaries of the listed entity

The Company do not have any subsidiary.

Disclosure of certain types of agreements binding listed entities

There are no agreements that require disclosure under Clause 5A of Paragraph A of Part A of Schedule III of the of the SEBI LODR which have an impact on the management or control of the listed entity or create any liability on the listed entity during 2023-24.

Committee(s) recommendation not accepted/considered by Board

The Board has accepted / considered all the recommendation(s) made by Committee(s) to the Board in the relevant financial year under review.

Commodity price risk or foreign exchange risk and hedging activities

The Company is not involved in kind of hedging activities. Accordingly, the disclosure required to be made as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to the Company.

Unclaimed Shares lying in Demat Suspense Account

The Company was not required to transfer any shares in Demat Suspense Account. Accordingly, the disclosure required to be made in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of shares in the demat suspense account or unclaimed suspense account, is not applicable to the Company.

Disclosures of the compliance with corporate governance requirements

The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI(LODR) Regulations, 2015.

ANNEXURE D1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para-C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members,

Lokesh Machines Limited

B-29, EEIE, Stage II,
Balanagar, Hyderabad
Telangana- 500037

SUB: Certificate under Schedule V(C) (10) (i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

I, L. Dhanamjay Reddy, Practicing Company Secretary, proprietor of L.D.Reddy & Co., Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Lokesh Machines Limited (CIN L29219TG1983PLC004319) having its Registered office at B-9, EEIE, Stage II, Balanagar, Hyderabad Telangana- 500037 (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the financial year ended on March 31, 2024.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2024:

List of Director of the Company as on March 31, 2024:

S. No.	DIN	Full Name	Designation
1	00214782	RAMAN SEKHARIPURAM SESHADRI	Director
2	00810019	BADHE RATNAM MAHESH	Director
3	00840630	KISHORE BABU BOLLINENI	Wholetime Director
4	00840887	KRISHNA SWAMY KALLAHALLA	Director
5	00841388	SRIKRISHNA MULLAPUDI	Wholetime Director
6	00917565	SRINIVAS MULLAPUDI	Wholetime Director
7	00989447	LOKESWARA RAO MULLAPUDI	Managing Director
8	01872392	DORAIRAJAN BALAJI	Director
9	08765043	LIKHITHA MULLAPUDI	Director

For **L.D.Reddy & C o.**,
Company Secretaries

L. Dhanamjay Reddy
(Proprietor)

CP. No.3752

UDIN: A013104F000926051

Date: August 08, 2024

Place: Hyderabad

ANNEXURE D2

PRACTISING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Lokesh Machines Limited
B-29, EEIE, Stage II,
Balanagar, Hyderabad
Telangana- 500037

We have examined the compliance of the conditions of Corporate Governance by Lokesh Machines Limited (CIN L29219TG1983PLC004319) for the year ended on March 31, 2024 as stipulated under Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

The Compliance of the Conditions of Corporate Governance is the responsibility of the management our examination was limited to the review of procedure and implementation thereof, as adopted by the Company for ensuring compliance with conditions of corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations, made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid -19 pandemic, we certify that the Company has complied with the conditions of corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **L.D.Reddy & Co.**,
Company Secretaries

L. Dhanamjaya Reddy
(Proprietor)
M. No. 13104
CP No.3752
PR:1262/2021
UDIN No: A013104F000926082

Date: August 08, 2024
Place: Hyderabad

ANNEXURE D3

DECLARATION FOR CODE OF CONDUCT

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under Para D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with stock exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the aforesaid Code of Conduct as applicable to them for the financial year ended March 31, 2024.

For **Lokesh Machines Limited**

Place: Hyderabad
Date: March 31, 2024

Sd/-
M. Lokeswara Rao
Managing Director/CEO
(DIN: 00989447)

ANNEXURE D4

CEO AND CFO CERTIFICATION

To
The Board of Directors
Lokesh Machines Ltd
Hyderabad

We, M. Lokeswara Rao, Managing Director/CEO and V. Sudhakara Reddy, Chief Financial Officer of Lokesh Machines Ltd, to the Best of Our Knowledge and belief certify:

- A. We have reviewed the financial statements and the cash flow statements for the financial year ended on March 31, 2024, and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee, wherever applicable,
- 1) significant changes in internal control over financial reporting during the year;
 - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Lokesh Machines Limited**

Place: Hyderabad
Date: May 22, 2024

Sd/-
V. Sudhakara Reddy
CFO

Sd/-
M. Lokeswara Rao
MD/CEO
(DIN: 00989447)

ANNEXURE E

Disclosure pertaining to remuneration and other details as required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 are provided here:

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio to Median remuneration
Mr. M Lokeswara Rao	17.86:1
Mr. B Kishore Babu	16.07:1
Mr. M. Srinivas	23.21:1
Mr. M. Srikrishna	23.21:1

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of the Director/Chief Financial Officer/Chief Executive Officer/Company Secretary/Manager	*Percentage of increase in remuneration
Mr. M Lokeswara Rao	400%
Mr. B Kishore Babu	NIL
Mr. M Srinivas	NIL
Mr. M Srikrishna	NIL
Mr. V Sudhakara Reddy	20%
Mr. Gurprit Singh	25%

- iii. The percentage increase in the median remuneration of employees in the financial year: 9.76%
- iv. The number of permanent employees (excluding managerial personnel) on the rolls of company as on March 31, 2024: 645
- v. Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

During the financial year ended March 31, 2024, there was no increase in remuneration paid to managerial personnel, except for the Managing Director, so a comparison cannot be made.

- vi. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

- vii. Details of top ten employees in terms of remuneration drawn

S. No.	Name	Designation	Monthly Remuneration (in ₹)	Nature of employment	Qualifications and Experience	Date of commencement of employment	Age	Last Employment	Percentage of Equity Shares held	Relation with any Director or Manager
1	Mr. Kishor Pandhare	Plant Head - Pune	4,58,333	Permanent	MS- Mechanical Engineering, MBA with 34 years of experience	May 03, 2021	57	Cummins & Bobst India Limited	Nil	No
2	Mr. Sudhakara Reddy Valmeti	Chief Financial Officer	3,00,000	Permanent	M.Com, FCA with 25 years of experience	January 01, 1999	57	Not Applicable	0.06	No
3	Mr. Kankatala Satyanarayana Murthy	Plant Head - Medchal	2,33,999	Permanent	B.Tech, with 34 years of experience	April 17, 2021	57	L&T Valves Ltd	Nil	No

ANNEXURE E (Contd.)

S. No.	Name	Designation	Monthly Remuneration (in ₹)	Nature of employment	Qualifications and Experience	Date of commencement of employment	Age	Last Employment	Percentage of Equity Shares held	Relation with any Director or Manager
4	Mr. H. N. Panchamia	VP - Sales & Marketing	2,08,333	Permanent	Diploma in Mechanical Engineering & Advance Technology Course in Tool Engg. with 43 years of experience	November 01, 2019	63	BFW LTD	Nil	No
5	Mr. Nimmagadda Sada Siva Rao	AVP- R & D	1,98,876	Permanent	M.B.A. with 39 years of experience	January 03, 2023	52	HMT Machine Tools Ltd	Nil	No
6	Mr. N. Surendra Babu	VP- Designs	1,85,000	Permanent	BE-Mechanical & MS-Machine Design with overall 45 years of experience	December 02, 2015	69	HMT Machine Tools Ltd	0.00	No
7	Mr. Sudhakar Krishna Murthy Vellore	D.G.M. - Production Toopran	1,64,717	Permanent	Diploma in Mechanical Engineering with 34 years of experience	May 23, 2023	56	Mahindra & Mahindra	Nil	No
8	Mr. Talam Ramesh	D.G.M. - GPM Design	1,47,268	Permanent	B. Tech with 20 years of experience	October 19, 2018	48	Kennametal India Ltd	Nil	No
9	Mr. Meesala Napoleon Melvic	D.G.M.- Marketing	1,39,501	Permanent	Diploma in Mechanical Engineering with 30 years of experience	March 01, 1996	53	Not Applicable	Nil	No
10	Mr. M.Gopi Krishna	D.G.M. Purchase (GPM)	1,34,000	Permanent	Bachelor of Engineering with more than 16 years of experience	October 06, 2007	52	Not Applicable	Nil	No

Note:

- List of employees drawing a remuneration not less than ₹ 102.00 Lakhs per annum or ₹ 8.50 Lakhs per month, if employed for part of the year: No employee in the Company has drawn remuneration falling under this category.
- There is no employee in employment throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two per cent (2%) of the Equity Shares of the Company

For & on behalf of the Board
For **Lokesh Machines Limited**

Place: Hyderabad
Date: August 14, 2024

Sd/-
M. Srinivas
(Whole-time Director)
(DIN: 00917565)

Sd/-
M. Lokeswara Rao
(Managing Director)
(DIN: 00989447)

ANNEXURE F

The Particulars as prescribed under Sub-section (3) (m) of Section 134 of the Companies Act 2013, read with Rule 8(3) of The Companies (Accounts) Rules 2014, are as under.

A. CONSERVATION OF ENERGY

- i) The steps taken or impact on conservation of energy: It is our continuous endeavor to implement the best practices in areas of energy conservation.
- ii) The steps taken by the Company for utilizing alternate sources of energy: NIL.
- iii) The capital investment on energy conservation equipment: NIL

B. TECHNOLOGY ABSORPTION

The Company has entered into an MOU with Raja Ramanna Centre for Advanced Technology (RRCAT), Indore to develop and manufacture Additive Manufacturing Machines. As a part of this agreement, RRCAT has provided assistance to develop the Additive Manufacturing technology while Lokesh contributed to the Subtraction Manufacturing part, thereby developing a Hybrid Additive Manufacturing Machine. Some of the indigenous features developed are a first of its kind in India.

C. RESEARCH AND DEVELOPMENT (R & D)

1. During the year under review, specific areas in which R & D carried out by the Company are detailed below:

- a. CNC-VTL 1250: A Ram type CNC Vertical turning lathe has been designed, developed and released for the production.
- b. Thermally Stable 5-Axis Vertical Machining Center is under design in association with AMTDC Chennai.
- c. Hybrid Additive Manufacturing Machine (HAM) developed with RRCAT, Indore and launched by the Company.
- d. CNC Horizontal Machining Center-H650 is designed, developed and released for proto manufacturing.

2. Benefits derived as a result of the above R & D:

- Addition of a the CNC-VTL 1250 in VTL's category will give rise to a family of products in the Bigger Vertical Turning category that would help the Company reach out to a new segment of users and thereby contribute to the top line and bottom line of the Company in the years to come.
- Addition of Additive Manufacturing Machines to our product range. The development will be our first commercial indigenous Laser Based Direct Energy Deposition Hybrid Additive Manufacturing machine. This would help the Company be on par with global development in this field.

3. Future plan of action:

- Commercialisation of the above products.
- Launch of 5 Axis Machines.
- Launch of bigger size Horizontal Machining Centres.
- Venturing into newer Industry 4.0 segments like Additive Manufacturing Machines.

4. Expenditure incurred on R & D:

		(In Lakhs)
a)	Capital	119.84
b)	Recurring	53.15
Total		172.99
c)	Total R & D expenditure as a percentage of total turnover	0.60 %

D. Foreign Exchange Earnings and Outgo

		(In Lakhs)
(i)	Foreign Exchange Earnings :	₹ 2560.63
(ii)	Foreign Exchange Outgo:	
(a)	For Capital Goods :	₹ 1430.11
(b)	For Stores & Components on FOB basis :	₹ 682.57
(c)	Towards Foreign Travel:	₹ 13.72

ANNEXURE G

PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2024, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2024.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: August 14, 2024

Sd/-
Mullapudi Srinivas
(Whole-time Director)
(DIN: 00917565)

Sd/-
Mullapudi Lokeswara Rao
(Managing Director)
(DIN: 00989447)

INDEPENDENT AUDITOR'S REPORT

To the Members of **LOKESH MACHINES LIMITED**

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of **LOKESH MACHINES LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditors responsibility for the Audit of Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

KEY AUDIT MATTERS

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue

INDEPENDENT AUDITOR'S REPORT (Contd.)

as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,

INDEPENDENT AUDITOR'S REPORT (Contd.)

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
- c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account,
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
- e) On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act,
- f) With respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- v. The Company had not declared or paid any dividend during the year under Report.
- vi. Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility.

INDEPENDENT AUDITOR'S REPORT (Contd.)

The audit trail feature has been operated throughout the year for all transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the

statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

(K.SHRAVAN)

Partner

Membership No. 215798

UDIN: 24215798BKESG6144

Place : Hyderabad

Date : 22.05.2024

ANNEXURE - A TO THE AUDITOR'S REPORT:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of **LOKESH MACHINES LIMITED**, for the year ended March 31, 2024.,

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- b. The Company has a regular program of physical verification of its property, plant and equipment, and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- d. The company did not revalue its Property, Plant and Equipment or intangible assets during the year. Accordingly, paragraph 3 (i)(d) of the Order is not applicable.
- e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- ii. a. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- b. In our opinion and according to the information and explanation given to us and the records of the Company examined by us during the course of the audit, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.
- iii. During the year the Company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Therefore, the provisions of clause 3(iii) (a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)f of the said Order are not applicable for the year under report.
- iv. The Company has not given any loans or made any investments or given any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, clause 3 (iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a. According to the records, the company is regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2024 for a period of more than six months from the date they became payable.

ANNEXURE - A TO THE AUDITOR'S REPORT: (Contd.)

- b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute except the following.

Name of the Statute	Nature of Dues	Amount (Rs. In lakhs)	Amount paid under protest (Rs. In Lakhs)	Period to which amount related	Forum where dispute is pending
Goods and Service Tax Act, 2017	Goods and Service Tax	179.81	14.96	FY 2017-19	First Appellate Authority
Value added Tax	Cenvat & Modvat	281.23	Nil	FY 2007-08	Hon'ble High Court of Telangana
Finance Act, 1994	Service Tax	83.60	Nil	FY 2008-13	CESTAT
Central Excise Act, 1944	Excise Duty	132.62	10.35	FY 2017-18, FY 2012-13 and FY 2013-14	CESTAT

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c. The term loans were applied for the purpose for which the loans were obtained;
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. The company does not have subsidiaries, associates or joint ventures. Hence clause 3(ix) (e) of the above mentioned Order is not applicable;
- f. The company does not have subsidiaries, associates or joint ventures. Hence clause 3(ix) (f) of the above mentioned Order is not applicable
- x. a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3 (x)(a) of the Order is not applicable.
- b. The Company has made Preferential allotment of equity shares during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with. The company has utilized funds raised by way of preferential allotment for the purposes for which they were raised.
- xi. a. According to the information and explanations given to us, we report that during the year, the management of the Company has not come across any fraud and consequently reporting under clause 3(xi)(a) of the order is not applicable.
- b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;

ANNEXURE - A TO THE AUDITOR'S REPORT: (Contd.)

- b. We have considered the reports of the Internal Auditors for the period under audit;
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) ad (c) of the Order is not applicable
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable;
- xvii. The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.
- xviii. There is no resignation of statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The Company does not have subsidiaries, associates or joint ventures. Hence clause 3 (xxi) of the said Order with regard to qualifications or adverse remarks in CARO reports of the companies included in the consolidated financial statements, is not applicable.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

(K.SHRAVAN)
Partner

Place : Hyderabad
Date : 22.05.2024

Membership No. 215798
UDIN: 24215798BKESG6144

ANNEXURE – B TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of LOKESH MACHINES LIMITED ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

ANNEXURE – B TO THE AUDITOR'S REPORT (Contd.)

evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

(K.SHRAVAN)

Partner

Place : Hyderabad
Date : 22.05.2024

Membership No. 215798
UDIN: 24215798BKESG6144

BALANCE SHEET

AS AT MARCH 31, 2024

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4A	16,645.30	11,820.93
(b) Capital Work-in-Progress	4B	1,585.03	1,515.73
(c) Right of Use Asset	5	389.70	396.49
(d) Intangible Assets	6A	55.66	30.14
(e) Intangible Assets Under Development	6B	51.87	51.87
(f) Financial Assets			
(i) Investments	7	130.00	140.00
(ii) Other Financial Assets	8(a)	195.72	174.77
(g) Income Tax Assets(net)	9	0.00	228.10
(h) Other Non-Current Assets	10	1,244.67	874.51
Total Non-Current Assets		20,297.95	15,232.54
2 CURRENT ASSETS			
(a) Inventories	11	11,745.20	11,229.97
(b) Financial Assets			
(i) Trade Receivables	12	4,839.58	4,081.57
(ii) Cash and Cash Equivalents	13	21.17	21.81
(iii) Bank Balances other than (ii) above	14	827.64	672.14
(iv) Other Financial Assets	8(b)	138.86	120.47
(c) Other Current Assets	15	1,187.59	1,281.45
Total Current Assets		18,760.04	17,407.41
TOTAL ASSETS		39,057.99	32,639.95
EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share capital	16	1,849.68	1,789.68
(b) Other Equity	17	17,749.50	14,107.81
Total Equity		19,599.18	15,897.49
LIABILITIES			
2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18(a)	4,530.28	2,058.54
(b) Provisions	19	560.28	454.79
(c) Deferred Tax Liabilities (Net)	20	1,101.15	924.88
Total Non-Current Liabilities		6,191.71	3,438.21
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18(b)	7,274.51	6,749.98
(ii) Trade payables	21		
a) Total outstanding dues of Micro and Small Enterprises		328.10	8.72
b) Total outstanding dues of other than Micro and Small Enterprises		3,334.41	2,949.06
(iii) Other Financial liabilities	22	503.09	270.41
(b) Other current liabilities	23	1,785.59	3,326.08
(c) Income Tax Liabilities (net)	24	41.40	0.00
Total Current liabilities		13,267.10	13,304.25
TOTAL EQUITY AND LIABILITIES		39,057.99	32,639.95
Material Accounting Policies	1-3		
See accompanying notes to the financial statements			

As per our report of even date attached

For and on behalf of the Board

For Brahamayya & Co
Chartered Accountants
Firm's Registration No : 000513S

M. LOKESWARA RAO
Managing Director
DIN : 00989447

M.SRINIVAS
Whole-Time Director
DIN : 00917565

K Shravan
Partner
Membership No.: 215798

V. SUDHAKARA REDDY
Chief Financial Officer

GURPRIT SINGH
Company Secretary

Place: Hyderabad
Date: May 22, 2024

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME			
I Revenue from Operations	25	29,353.99	24,030.24
II Other Income	26	168.18	420.82
III Total Income (I+II)		29,522.17	24,451.06
IV EXPENSES			
Cost of Material Consumed	27	17,115.10	14,641.36
Changes in Inventories of Finished Goods and Work in Progress	28	(377.09)	(989.88)
Other Manufacturing Expenses	29	2,826.49	2,679.54
Employee Benefits Expense	30	5,403.61	4,620.15
Financial Cost	31	1,147.96	1,074.37
Depreciation and Amortisation Expenses	32	997.14	908.45
Other Expenses	33	1,835.41	1,671.19
		28,948.62	24,605.18
Less : Capitive Consumption		1,481.78	1,445.63
Total Expenses		27,466.84	23,159.55
V Profit before exceptional items and tax (III-IV)		2,055.33	1,291.51
VI Exceptional items	34	-	159.14
VII Profit before tax		2,055.33	1,450.65
VIII Tax Expenses			
- Current Tax		372.13	287.89
- Provision for earlier years tax		103.68	-
- Deferred Tax (credit)/ charge		194.73	195.41
Total Tax Expenses		670.54	483.30
IX Profit for the year (VII-VIII)		1,384.79	967.35
X Other Comprehensive income			
i Items that will not be reclassified subsequently to profit or loss		(66.38)	4.29
ii Income tax relating to items that will not be reclassified to profit or loss		18.46	1.25
Other comprehensive income for the year		(47.92)	5.54
Total Comprehensive income for the year (IX + X)		1,336.87	972.89
Earning per equity share (Amount in ₹)			
Basic & Diluted	35	7.68	5.41
Material Accounting Policies	1-3		
See accompanying notes to the financial statements			

As per our report of even date attached

For and on behalf of the Board

For Brahamayya & Co
Chartered Accountants
Firm's Registration No : 000513S

M. LOKESWARA RAO
Managing Director
DIN : 00989447

M.SRINIVAS
Whole-Time Director
DIN : 00917565

K Shravan
Partner
Membership No.: 215798

V. SUDHAKARA REDDY
Chief Financial Officer

GURPRIT SINGH
Company Secretary

Place: Hyderabad
Date: May 22, 2024

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	2,055.33	1,450.65
Adjusted for		
Depreciation	997.14	908.45
Financial charges	1,147.96	1,074.37
(Profit)/Loss on Sale of property, Plant & Equipment	(1.41)	9.36
Fair value changes of financial instruments	10.00	10.00
Interest Income	(85.43)	(352.32)
Acual gain/(loss) on defined benefit plans	(66.38)	4.29
Operating profit before working capital changes	4,057.21	3,104.80
Adjustment for changes in		
Decrease/(Increase) in Receivables & Other advances	(1,094.84)	(146.41)
Decrease/(Increase) in Inventories	(515.23)	(1,402.33)
Decrease/(Increase) in Trade and other payables	(496.80)	1,918.19
Cash generated from operations	1,950.34	3,474.25
Direct taxes paid	(206.30)	(310.90)
Net Cash Flow from Operating Activity (A)	1,744.04	3,163.35
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including CWIP and capital advances	(5,910.25)	(2,355.73)
Proceed from sale of propety, Plant and Equipment	2.12	10.27
Interest received	106.62	314.72
Movement in other bank balances	(155.50)	(169.41)
Net Cash Flow from Investing Activity (B)	(5,957.01)	(2,200.15)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase /(Decrease) in Bank Borrowings	2,990.55	116.16
Proceeds from issue of shares with premium	1,452.63	-
Money received agaisnt share warrants (25% advance)	912.19	-
Dividend paid	(0.81)	(0.85)
Interest paid	(1,142.23)	(1,074.37)
Net Cash Flow from Financing Activity (C)	4,212.33	(959.06)
Net Increase/(Decrease) in Cash/Cash equivalents (A+B+C)	(0.64)	4.14
Add: Cash/Cash equivalents at the beginning of the year	21.81	17.67
Cash/Cash equivalents at the end of the year	21.17	21.81

As per our report of even date attached

For and on behalf of the Board

For Brahamayya & Co
Chartered Accountants
Firm's Registration No : 000513S

M. LOKESWARA RAO
Managing Director
DIN : 00989447

M.SRINIVAS
Whole-Time Director
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K Shravan
Partner
Membership No.: 215798

V. SUDHAKARA REDDY
Chief Financial Officer

GURPRIT SINGH
Company Secretary

Place: Hyderabad
Date: May 22, 2024

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2024

A EQUITY SHARE

	(₹ in Lakhs)
As At April 01, 2022	1,789.68
Changes in equity share capital during the year	-
As At April 01, 2023	1,789.68
Changes in equity share capital during the year	60.00
As at March 31, 2024	1,849.68

B. OTHER EQUITY

	(₹ in Lakhs)						
Particulars	Capital Redemption Reserve	Security Premium	General Reserves	Retained Earning	Money Received against Share warrants	Remeasurement of defined benefit plan	Total
Balance as at April 01, 2022	150.00	7,388.31	425.00	5,244.41	0.00	(72.80)	13,134.92
Profit for the Year				967.35			967.35
Addition during the year							0.00
Other comprehensive income for the year						5.54	5.54
Balance as at March 31, 2023	150.00	7,388.31	425.00	6,211.76	0.00	(67.26)	14,107.81
Profit for the Year				1,384.79			1,384.79
Addition during the year		1,392.63			912.19		2,304.82
Other comprehensive income for the year						(47.92)	(47.92)
Balance as at March 31, 2024	150.00	8,780.94	425.00	7,596.55	912.19	(115.18)	17,749.50

The description of nature and purpose of reserves within equity is as follows:

- i. **Capital Redemption Reserve** : Created on redemption of preference shares and it can be utilised as per section 63 of the company act.
- ii. **Security premium** : Premium received on issue of equity shares credited to security premium and it can be utilised as per section 63 of the company act.
- iii. **General reserve**: Reserve is created from time to time by transfer of profits from retained earnings and it can be utilised as per section 63 of the company act.
- iv. **Retained earnings**: Retained earnings are accumulation of profits earned by the company and it can be utilised as per section 63 of the company act.

Material Accounting Policies

Note 1-3

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board

For Brahamayya & Co
Chartered Accountants
Firm's Registration No : 000513S

M. LOKESWARA RAO
Managing Director
DIN : 00989447

M.SRINIVAS
Whole-Time Director
DIN : 00917565

K Shravan
Partner
Membership No.: 215798

V. SUDHAKARA REDDY
Chief Financial Officer

GURPRIT SINGH
Company Secretary

Place: Hyderabad
Date: May 22, 2024

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

1. CORPORATE INFORMATION:

Lokesh Machines Limited ("the Company") was incorporated on December 17, 1983 under the Companies Act, 1956. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). At present the Company is engaged in the business of manufacture of Special Purpose Machines (SPM), General Purpose Machines/CNC Lathes (GPM), Connecting Rods and machining of Cylinder Blocks and Heads.

These Financial Statements were approved by the Board of Directors and authorized for issue on – **May 22, 2024.**

2. BASIS OF PREPARATION:

These Financial Statements prepared by the Company complying in all material respects with the notified Accounting Standards under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 and in accordance with the generally accepted accounting principles in India.

The financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

3. MATERIAL ACCOUNTING POLICIES:

a) Statement of Compliance:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015 with effect from April 01, 2016.

b) Critical Accounting Estimates and Judgments

The preparation of Company's financial statements requires management to make accounting estimates, assumptions and judgments that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures of contingencies at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

The areas involving critical estimates or judgments are –

- Useful lives of property plant and equipment and intangible assets
- Measurement of defined benefit obligation.
- Estimation of impairment
- Estimation of Provision and Contingent liabilities
- Recognition of deferred taxes

c) Current Vs Non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it satisfies the below mentioned criteria:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Expected to be realized within twelve months after the reporting period, or
- iii. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies the below mentioned criteria:

- i. Expected to settle the liability in normal operating cycle;
- ii. Due to be settled within twelve months after the reporting period, or
- iii. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

d) Property, Plant and Equipment:

Property, plant, and equipment are stated at cost net of input tax credits, less accumulated depreciation, and accumulated impairment losses, if any. Cost comprises the purchase price and all attributable cost, to bring the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

plant and equipment which take a substantial period to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to use.

The Company adopted the cost model as its accounting policy, in recognition of the property, plant and equipment and recognizes transaction value as the cost.

Capital work in progress includes cost of property, plant, and equipment under installation/under development as at the balance sheet date.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from property, plant, and equipment and the carrying amount net of scrap value, if any is charged to Statement of Profit and Loss.

The improvements/modifications carried out on the lease hold land/property are recognized as lease hold improvements and are written off over the primary lease period or the life of such improvement whichever is lower.

Estimated useful lives of the assets are as follows:

Type of the Asset	Method of Depreciation	Useful life considered. (years)
Building-Factory	SLM	30
Plant and Machinery	SLM	15
Furniture and Fixtures	WDV	10
Vehicles	WDV	8
Office Equipment	WDV	10
Miscellaneous Equipment	WDV	15

e) Intangible Assets:

Computer software:

Computer software is recognized at cost and is amortized over the useful life as estimated by the Management which is about 3 years for all the intangible computer software assets.

Other Intangible Assets:

Internally generated intangible assets:

Research and development expenditure:

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally generated intangible asset arising from the development phase of an internal project is recognized, if and only if, the conditions under the Ind AS 34 - Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognized in profit and loss in the period in which it is incurred.

f) Impairment of non-financial assets:

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.
- ii. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset do no longer exist or have decreased.

g) Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- a) The contract involves use of an identified asset;
- b) The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- c) The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognizes a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognizes the lease payment as an

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

operating expense on straight line basis over the term of lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

h) Inventories:

Raw materials, stores and spares, work in progress and finished goods are stated at the lower of cost and net realizable value. Costs are assigned to individual items of inventory and are determined based on a first in first out basis (FIFO).

The cost of raw materials comprises cost of purchases and includes all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts, stand-by equipment and servicing equipment are recognized in accordance with this Ind AS-16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory. Spare parts, stand-by equipment and servicing equipment are stated at lower cost or net realizable value.

i) Revenue recognition:

Revenue is measured at the fair value of consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Company. Specifically, the following basis is adopted for various sources of income:

Sale of goods:

Revenue is recognised when a performance obligation in a customer contract has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and services tax or other taxes directly linked to sales.

Revenue from rendering of services is recognised over time as and when the customer receives the benefit of the Company's performance and the Company has an enforceable right to payment for services transferred.

j) Other income

Interest income:

Interest income primarily comprises of interest on Margin money deposits with the banks, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of financial asset.

k) Foreign currency transactions:

i. Functional and Reporting Currency:

The Company's functional and reporting currency is Indian National Rupee.

ii. Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amounts the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

iii. Conversion on reporting date:

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

iv. Exchange Differences:

Exchange difference arising on the settlement of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expenses in the year in which they arise.

l) Retirement and other employee benefits:

- i. Employer's contribution to Provident Fund/ Employee State Insurance, which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.
- ii. Gratuity liability is in the nature of defined benefit obligation. This liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 "Employee Benefits". Actuarial gain/ (loss) in the valuation are recognized as other comprehensive income for the period.
- iii. Compensated absences which are in the nature of defined benefit obligation are provided for based on estimates of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 "Employee Benefits".

m) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are incurred in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

n) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Management.

o) Dividends:

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by the Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

p) Earnings per Share:

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period, net off treasury shares. For calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Provisions:

Provisions are recognized when there is a present legal or constructive obligation that can be estimated reliably, because of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as a finance cost.

r) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognized in the statement of balance sheet and is disclosed as a contingent asset or contingent liability. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities.

s) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

respective laws of the state. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

t) **Prior period items:**

In case prior period adjustments are material in nature the Company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". Immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

u) **Cash and cash equivalents:**

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the Statement of Cash Flows, cash and cash equivalents consist of short-term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Company's cash management.

v) **Financial Instrument:**

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

a. **Financial Asset:**

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit & loss account transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For subsequent measurement financial assets are classified as measured at:

- 1) Amortized Cost
- 2) Fair value through profit and loss (FVTPL)
- 3) Fair value through other comprehensive income (FVTOCI)

Financial Asset measured at amortized cost.

Financial Assets held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The Company, while applying above criteria has classified all the financial assets (except investments in equity shares) at amortized cost.

Financial Assets Measured at fair value through other comprehensive income.

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets, and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income is measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

or loss previously recognized in OCI is reclassified from the equity to other income' in the Statement of Profit and Loss.

Financial Assets at fair value through profit or loss (FVTPL)

Financial Asset is measured at fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit & loss.

De-recognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. The provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense in the statement of profit and loss. In the case of a balance sheet, it is shown as reduction from the specific financial asset.

b. Financial Liabilities.

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that is attributable to the acquisition of the financial liability except

financial liabilities at FVTPL that are measured at fair value.

Subsequent Measurement

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

Financial Liabilities at amortized cost

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

All the financial liabilities of the Company are subsequently measured at amortized cost using the Effective Interest method.

De recognition of Financial Liabilities

Financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

w) Offsetting.

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

x) Recent Pronouncements.

The Company applied for the first time these amendments of Ind AS 8 , Ind AS 1 and Ind AS 12 and there is no material impact on financials.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**
4A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant & Machinery	Furniture And Fixtures	Vehicles	Misc. Equipment	Office Equipment	Computers	Total Property, Plant And Equipment
Gross Carrying Amount									
At April 01, 2022	1,488.62	3,734.24	15,025.32	124.37	463.62	2,250.19	84.46	333.84	23,504.66
Additions	-	147.72	1,113.86	9.02	82.15	106.87	6.04	15.00	1,480.66
Disposals	-	-	253.92	-	-	2.00	-	-	255.92
At March 31, 2023	1,488.62	3,881.96	15,885.26	133.39	545.77	2,355.06	90.50	348.84	24,729.40
Additions	558.85	1,069.44	3,634.40	10.91	138.98	342.51	2.52	42.16	5,799.77
Disposals	-	-	-	-	9.57	-	-	-	9.57
At March 31, 2024	2,047.47	4,951.40	19,519.66	144.30	675.18	2,697.57	93.02	391.00	30,519.60
Accumulated Depreciation									
At April 01, 2022	-	1,297.71	8,253.71	99.03	386.73	1,812.92	79.29	320.28	12,249.67
Charge for the year	-	119.23	644.38	7.13	25.80	86.89	1.55	10.10	895.08
Disposals	-	-	236.28	-	-	-	-	-	236.28
At March 31, 2023	-	1,416.94	8,661.81	106.16	412.53	1,899.81	80.84	330.38	12,908.47
Charge for the year	-	123.08	684.87	7.95	48.22	91.02	2.88	16.67	974.69
Disposals	-	-	-	-	8.86	-	-	-	8.86
At March 31, 2024	-	1,540.02	9,346.68	114.11	451.89	1,990.83	83.72	347.05	13,874.30
Net Carrying Amount									
At March 31, 2023	1,488.62	2,465.02	7,223.45	27.23	133.24	455.25	9.66	18.46	11,820.93
At March 31, 2024	2,047.47	3,411.38	10,172.98	30.19	223.29	706.74	9.30	43.95	16,645.30

4B. CAPITAL WORK IN PROCESS

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant & Machinery	Furniture and Fixtures	Vehicles	Misc. Equipment	Office Equipment	Computers	Total Property, plant and equipment
At April 01, 2022	-	590.22	107.21	-	-	-	-	-	697.43
At March 31, 2023	-	1,408.52	107.21	-	-	-	-	-	1,515.73
At March 31, 2024	-	1,585.03	-	-	-	-	-	-	1,585.03

Ageing of CWIP as on March 31, 2024 :-

(₹ in Lakhs)

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Projects in progress	1,347.26	208.25	29.52	-	1,585.03
ii. Projects temporarily suspended	-	-	-	-	-

Ageing of CWIP as on March 31, 2023:-

(₹ in Lakhs)

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Projects in progress	818.30	247.39	419.30	30.74	1,515.73
ii. Projects temporarily suspended	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

5. RIGHT OF USE ASSET

(₹ in Lakhs)

Particulars	Free hold Land	Total Right of Use Assets
Gross Carrying Amount		
At April 01, 2022	422.73	422.73
Additions	-	-
Disposals	-	-
At March 31, 2023	422.73	422.73
Additions	-	-
Disposals	-	-
At March 31, 2024	422.73	422.73
Depreciation/Amortisation @ April 01, 2022	19.67	19.67
Charge for the year	6.57	6.57
Disposals	-	-
At March 31, 2023	26.24	26.24
Charge for the year	6.79	6.79
Disposals	-	-
At March 31, 2024	33.03	33.03
Net Carrying Amount		
At April 01, 2022	403.06	403.06
At March 31, 2023	396.49	396.49
At March 31, 2024	389.70	389.70

6A INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer software	Total Intangible assets
Gross Carrying Amount		
At April 01, 2022	109.88	109.88
Additions	4.90	4.90
Disposals	-	-
At March 31, 2023	114.78	114.78
Additions	41.18	41.18
Disposals	-	-
At March 31, 2024	155.96	155.96
Amortisation @ April 01, 2022	77.84	77.84
Charge for the year	6.80	6.80
Disposals	-	-
At March 31, 2023	84.64	84.64
Charge for the year	15.66	15.66
Disposals	-	-
At March 31, 2024	100.30	100.30
Net Carrying Amount		
At April 01, 2022	32.04	32.04
At March 31, 2023	30.14	30.14
At March 31, 2024	55.66	55.66

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**
6B. INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
Intangible Assets Under Development	51.87	51.87
Total	51.87	51.87

Ageing of Intangible Assets Under Development as on March 31, 2024 :-

(₹ in Lakhs)

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Projects in progress	-	51.87	-	-	51.87
ii. Projects temporarily suspended	-	-	-	-	-

Ageing of Intangible Assets Under Development as on March 31, 2023 :

(₹ in Lakhs)

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Projects in progress	51.87	-	-	-	51.87
ii. Projects temporarily suspended	-	-	-	-	-

7 INVESTMENTS-NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	No	Amount	No	Amount
Non Current (Un-Quoted)				
Investments				
Equity Investments - measured at Fair value through profit or loss				
in MLR Motors Limited	5,00,000	50.00	5,00,000	50.00
in MLR Auto Limited	5,00,000	80.00	5,00,000	90.00
Total	10,00,000	130.00	10,00,000	140.00
Aggregate value of Investments		130.00		140.00
Aggregate book value of quoted investments		0.00		0.00
Aggregate market value of quoted investments		0.00		0.00
Aggregate book value of unquoted investments		130.00		140.00
Aggregate amount of impairment in value of investments		0.00		0.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

8 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
8 (A) NON CURRENT		
a. Security Deposits	195.72	174.77
Total Non Current Financial Assets	195.72	174.77
8 (B) CURRENT		
a. Interest Accrued	68.48	89.67
b. Other advances	70.38	30.80
Total Current Financial Assets	138.86	120.47
	334.58	295.24

9 INCOME TAX ASSET (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax Asset (Net)	-	228.10
Total	-	228.10

10 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(Un secured - considered good)		
a. Advances for purchase of Capital goods	1,244.67	874.51
Total	1,244.67	874.51

Capital advances includes ₹ 225.00 Lakhs (Previous year ₹ 228.00 Lakhs) given to entity owned or significantly influenced by key management personnel towards purchase of Land & Machinery (Refer Note 40 for details)

11 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(At cost and certified by the Management)		
a) Raw Materials & Components	2,294.07	2,155.93
b) Finished Goods	554.76	724.25
c) Work-in-Progress	8,896.37	8,349.79
Total	11,745.20	11,229.97

1 Raw materials and Components are at Cost on first in first out basis(FIFO)

2 Finished good and work in progress are valued at lower of cost and net realisable value on full absorption cost basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**
12 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables		
i) Undisputed Trade Receivables considered good -secured	-	-
ii) Undisputed Trade Receivables considered good -un secured	4,839.58	4,081.57
iii) Trade Receivables which have significant increase in risk	-	-
iv) Trade Receivables -Credit impiared	94.89	62.21
v) Disputed Trade Receivables considered good -secured	-	-
vi) Disputed Trade Receivables considered good -unsecured	-	-
Less : Provision for Exepected Credit Loss / Bad Debts written off	(94.89)	(62.21)
Total	4,839.58	4,081.57

Ageing Trade Receivables as on March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for following periods form due date of payments					Total
	< 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	
i. Undisputed trade recivables considered good	3,355.36	195.90	633.56	507.88	146.88	4,839.58
ii. Undisputed trade recivables considered Doubtful					94.89	94.89
iii. Disputed trade recivables considered good						0.00
iv. Disputed trade recivables considered doubtfull						0.00
TOTAL	3,355.36	195.90	633.56	507.88	241.77	4,934.47
Less : Provision for Doubtful Debts	-	-	-	-	(94.89)	(94.89)
Net Trade Receivables	3,355.36	195.90	633.56	507.88	146.88	4,839.58

Ageing Trade Receivables as on March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods form due date of payments					Total
	< 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	
i. Undisputed trade recivables considered good	2,535.69	225.36	606.25	493.90	220.37	4,081.57
ii. Undisputed trade recivables considered Doubtful					62.21	62.21
iii. Disputed trade recivables considered good						0.00
iv. Disputed trade recivables considered doubtfull						0.00
TOTAL	2,535.69	225.36	606.25	493.90	282.58	4,143.78
Less : Provision for Doubtful Debts	-	-	-	-	(62.21)	(62.21)
Net Trade Receivables	2,535.69	225.36	606.25	493.90	220.37	4,081.57

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

13 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Balances with banks:		
Current accounts	14.19	16.27
(b) Cash on hand	6.98	5.54
Total	21.17	21.81

14 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Un paid Dividends	-	0.80
Margin Money Deposits (On LC's and BG's)	827.64	671.34
Total	827.64	672.14

15 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(Un secured - considered good)		
Advances against Materials and services	1,057.29	982.96
Balance with authorities	33.80	177.48
Others	-	19.83
Prepaid expenses	96.50	101.18
Total	1,187.59	1,281.45

16 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a. Authorised Share Capital		
2,20,00,000 (Previous year 2,00,00,000) Equity Shares of ₹10 each	2,200.00	2,000.00
	2,200.00	2,000.00
b Issued, Subscribed and Paid-Up		
1,84,96,770 (Previous year 1,78,96,770) Equity Shares of ₹10 each	1,849.68	1,789.68
	1,849.68	1,789.68

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**
c. Reconciliation of the shares outstanding at the beginning and the end of respective years:

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No	Amount	No	Amount
No. of shares at the beginning of the year	1,78,96,770	1,789.68	1,78,96,770	1,789.68
Add: 6,00,000 Shares issued during the year for face value of ₹ 10 each at ₹243.25/-	6,00,000	60.00	0	0.00
No. of shares at the end of the year	1,84,96,770	1,849.68	1,78,96,770	1,789.68

d. Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a face value of ₹ 10/- per share with one vote per each share. The Company declares and pay dividends in Indian Rupees. The dividends proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining asset of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e. Details of Share Holders holding more than 5% of shares in the Company.

Late M.Vijayalakshmi	- In Nos.	5,19,617	9,41,586
	- In %	2.81	5.26
M.Srinivas	- In Nos.	20,48,415	20,48,415
	- In %	11.07	11.45
M.Srikrishna	- In Nos.	19,20,180	19,20,180
	- In %	10.38	10.73
B.Kishore babu	- In Nos.	11,45,209	11,45,209
	- In %	6.19	6.40

f. Preferential Allotment of Equity Shares

During the year ended March 31, 2024, the Company has raised additional capital aggregating to ₹ 1,452.63 Lakhs (net of expenses of ₹ 6.87 Lakhs) by way of preferential allotment of equity shares. The Company has issued 6,00,000 shares at a price of ₹ 243.25/- per share whereby equity share capital has increased by ₹ 60.00 Lakhs and securities premium account is increased by ₹ 1,392.63 Lakhs (net of expenses of ₹ 6.87 Lakhs).

g. Convertible Share Warrants

During the year ended March 31, 2024, the Company also issued and allotted 15,00,000 fully convertible share warrants of ₹ 10/- each with a premium of ₹ 233.25/- to promoters and received 25% towards warrants subscription i.e. ₹ 912.19 Lakhs. These warrants are outstanding for conversion as on date of balance sheet.

Details of utilisation of preferential allotment proceeds are as follows:

(₹ In Lakhs)

Objects of the issue	Proceeds from preferential allotment	Utilised upto March 31, 2024	Unutilised amount as on March 31, 2024
Repayment of Borrowings, Capex, Working Capital Requirements	2,364.82	2,364.82	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

h. Details of Share holding of Promoters :

S No	Name of the Promoter	As at March 31, 2024		As at March 31, 2023		% of Change
		No. of Shares Held	% of holding	No. of Shares Held	% of total Shares	
1	Lokeswara Rao Mullapudi	8,47,864	4.58	5,41,820	3.03	1.56
2	Kishore Babu Bollineni	11,45,209	6.19	11,45,209	6.40	(0.21)
3	Srikrishna Mullapudi	19,20,180	10.38	19,20,180	10.73	(0.35)
4	Srinivas Mullapudi	20,48,415	11.07	20,48,415	11.45	(0.37)
5	Bollineni Vijaya Lakshmi	1,40,939	0.76	1,40,939	0.79	(0.03)
6	Mullapudi Kanakadurga	7,00,372	3.79	7,00,372	3.91	(0.13)
7	Naga Satya Swaroopa Rani Mullapudi	1,46,924	0.79	1,46,924	0.82	(0.03)
8	Srirekha Cherukuri	1,99,800	1.08	1,99,800	1.12	(0.04)
9	Late Mullapudi Vijayalakshmi	5,19,617	2.81	9,41,586	5.26	(2.45)
10	G Kamala Devi	7,777	0.04	7,777	0.04	(0.00)
11	Ganne Annapurna	0	0.00	16,598	0.09	(0.09)
12	Sudha Rani Ganne	27,330	0.15	0	0.00	0.15
13	Mullapudi Vasantha Lakshmi	14,004	0.08	14,004	0.08	(0.00)
14	Krishna Swamy Kallahalla	12,000	0.06	12,000	0.07	(0.00)
15	Bollineni Sri Harsha	32,819	0.18	32,819	0.18	(0.01)
16	Ajay Kumar Mullapudi	53,769	0.29	53,769	0.30	(0.01)
17	Sai Kiran Cherukuri	2,90,100	1.57	2,90,100	1.62	(0.05)
18	Mullapudi Rama Mohan Rao	22,001	0.12	22,043	0.12	(0.00)
19	Asha Kiran Cherukuri	5,60,100	3.03	5,60,100	3.13	(0.10)
20	Bollineni Shilpa	1,04,810	0.57	1,04,810	0.59	(0.02)
21	Mullapudi Likhitha	5,54,190	3.00	5,54,190	3.10	(0.10)
22	Sairam Prasad Gutta	7,359	0.04	7,359	0.04	(0.00)
23	Mullapudi Siddharth	32,729	0.18	32,729	0.18	(0.01)
	TOTAL	93,88,350	50.76	94,93,543	53.05	(2.29)

17 OTHER EQUITY

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
(a) Capital Redemption Reserve		
At the beginning and at the end of the year	150.00	150.00
(b) Securities Premium Reserve		
At the beginning of the year	7,388.31	7,388.31
Additions during the year (Net of Trasaction cost)	1,392.63	
	8,780.94	7,388.31
(c) General Reserve		
At the beginning and at the end of the year	425.00	425.00
(d) Money Received Against Share warrants	912.19	0.00
(e) Surplus in Statement of Profit & Loss		
At the beginning of the year	6,211.76	5,244.41
Profit for the year	1,384.79	967.35
	7,596.55	6,211.76

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Appropriations:		
Less: Equity Dividend	-	-
Closing Balance	7,596.55	6,211.76
(f) Other Comprehensive Income		
On Actuarial Gain/(loss) on post employment benefits		
At the beginning of the year	(67.26)	(72.80)
Add: Additions for the year	(47.92)	5.54
At the end of the year	(115.18)	(67.26)
Total	17,749.50	14,107.81

18. BORROWINGS

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
18(a) NON CURRENT BORROWINGS :		
1 Term Loans from Banks		
a) State Bank of India GECL-1. ₹ 7.62 Cr	131.84	323.53
b) State Bank of India GECL-2. ₹ 3.81 Cr	268.12	379.82
c) Punjab National Bank GECL-1. ₹ 1.90 Cr	38.83	90.12
d) Punjab National Bank GECL-2. ₹ 0.95 Cr	60.74	84.45
e) Indusind Bank GECL-1. ₹ 2.25 Cr	51.56	107.81
f) Indusind Bank GECL-2. ₹ 1.125 Cr	84.37	112.50
g) State Bank of India TL. ₹ 25.00 Cr	1,506.91	-
h) Punjab National Bank TL. ₹ 8.60 Cr	627.53	719.95
i) Punjab National Bank TL. 12.70 Cr	1,100.76	121.89
2 Term Loans from other parties		
j) Mahindra & Mahindra Finance Ltd	103.49	72.71
k) Axis Finance Limited	427.78	-
3 Vehicle Hire Purchase Loans	128.35	45.76
Total Non Current Borrowings	4,530.28	2,058.54
18(b) CURRENT BORROWINGS		
1 Current Maturities of Long Term Debt		
a) State Bank of India GECL-1. ₹ 7.62 Cr	190.50	190.50
b) State Bank of India GECL-2. ₹ 3.81 Cr	95.25	-
c) Punjab National Bank GECL-1. ₹ 1.90 Cr	47.50	47.50
d) Punjab National Bank GECL-2. ₹ 0.95 Cr	23.75	9.90
e) Indusind Bank GECL-1. ₹ 2.25 Cr	56.25	56.25
f) Indusind Bank GECL-2. ₹ 1.125 Cr	28.13	-
g) State Bank of India TL. ₹ 25.00 Cr	140.00	25.17
h) Punjab National Bank TL. ₹ 8.60 Cr	95.55	95.56
i) Punjab National Bank TL. 12.70 Cr	148.99	112.50
2 Term Loans from other parties		
j) Mahindra & Mahindra Finance Ltd	148.79	197.02
k) Axis Finance Limited	66.51	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
3 Vehicle Hire Purchase Loans	35.25	11.64
(a)	1,076.47	746.04
4 Cash Credit from Banks		
State Bank of India	4,082.15	4,159.24
Punjab National Bank	1,186.21	916.89
Indusind Bank	923.95	927.81
(b)	6,192.31	6,003.94
5 Interest accrued but not due on borrowings	5.73	-
(c)		
Total Current Borrowings	7,274.51	6,749.98
(a+b+c)		
Total Borrowings	11,804.79	8,808.52

- The Loans referred at (a to f) above are Primary secured by hypothecation of entire current assets, present and future on pari-passu basis with other working capital lenders and First charge by way of equitable mortgage of properties standing in the name of the company and Second charge on Fixed Assets of the company raking pari-passu with other lenders in the working capital consortium.
- The Loans referred at (g) above are secured by 1st pari-passu charge by hypothecation of land & Buildings at Toopran, Part -B, Industrial park, and guaranteed by Managing Director and other two promoter directors.
- The Loans referred at (h & i) above are secured by 1st pari-passu charge by hypothecation of land & Buildings at Toopran, Part -A, Industrial park, & 1st parripassu charge by hypothecation of plant & machinery created our of the finance and guaranteed by Managing Director and other two promoter directors.

Terms of Repayments

	Sanction date	Rate of Interest	No of Installments
a) State Bank of India GECL-1	28.01.21	7.95%	48
b) State Bank of India GECL-2	14.01.22	7.95%	48
c) Punjab National Bank GECL-1	03.02.21	8.35%	48
d) Punjab National Bank GECL-2	25.11.21	7.25%	48
e) Indusind Bank GECL-1	16.12.20	7.75%	48
f) Indusind Bank GECL-2	23.03.22	8.65%	48
g) State bank of India TL 1	03.02.22	9.70%	27
h) Punjab National Bank TL 1	16.09.22	9.35%	36
i) Punjab National Bank TL 2	16.09.22	9.60%	108
j) Axis Finance Limited	31.10.23	11.00%	72

- Hire Purchase Loans above are secured by hypothecation of the respective asset and guaranteed by one of the Directors of the Company and repayable in monthly installments.
- Loan From Axis Finance Ltd are secured by hypothecation land of promoters at Medchel.
- Working capital limits from consortium banks are secured by way of :

Primary : Pari-passu first charge by way of hyphothecation of stocks of raw material, semi finished goods, finished goods, stores and spares, book debts and all movable and other current assets of the company.

Collateral : (i) Pari-passu first charge by way of Equitable Mortgage of land & buildings at B-36, 25&27, Plot No 41 at Balanagar, Land & Buildings at Bonthapally and Medchel except the relating to the specific term loans.

Pari-passu second charge by way of Equitable Mortgage of fixed assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

19. PROVISIONS

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
NON CURRENT EMPLOYEE BENEFIT OBLIGATION		
Gratuity	467.75	367.69
Leave Encashment	92.53	87.10
Total Non Current Employee Benefit Obligation	560.28	454.79

20. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	Recognised in statement of profit & loss	Recognised in other Comprehensive income	As at March 31, 2023
Deferred tax liability				
Property, Plant & Equipment & Intangible assets	1,263.00	207.74	0.00	1,055.26
Gross Deferred Tax liability	1,263.00	207.74	0.00	1,055.26
Deferred tax asset				
a. Employee Benefits & Statutory liabilities allowed on payment basis	161.85	13.01	18.46	130.38
b. Unused Tax Losses	-	-	-	-
Gross Deferred Tax Asset	161.85	13.01	18.46	130.38
Net Deferred Tax Liability/Asset	1,101.15	194.73	(18.46)	924.88

21. TRADE PAYABLES -CURRENT

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
For supplies and Services		
Current		
a) Trade Payables : Micro and Small Enterprises	328.10	8.72
b) Trade Payables : Other than Micro and Small Enterprises	3,334.41	2,949.06
c) Disputed Trade Payables : Micro and Small Enterprises	-	-
b) Disputed Trade Payables : Other than Micro and Small Enterprises	-	-
Total	3,662.51	2,957.78

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Principle Amount due	328.10	8.72
Interest due on above	1.80	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2016	-	-
Amount of interest due and payable for the period off delay	-	-
Amount of interest accrued and remaining unpaid as at year end	-	-
Amount of further interest remaining due and payable in the succeeding year	-	-
	329.90	8.72

Trade Payables aging schedule as at March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	328.10	-	-	-	328.10
ii. Others	3,143.89	56.37	134.15	-	3,334.41
iii. Disputed dues-MSME					
iv. Disputed dues-Others					
Net Trade Receivables	3,471.99	56.37	134.15	-	3,662.51

Trade Payables aging schedule as at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods form due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	8.72	-	-	-	8.72
ii. Others	2,798.10	45.06	105.90	-	2,949.06
iii. Disputed dues-MSME	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-
	2,806.82	45.06	105.90	-	2,957.78

22. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
1. Employee related payables	382.33	235.43
2. Capital creditors	120.76	34.18
3. Unpaid dividend	-	0.80
Total Other Current Financial Liabilities	503.09	270.41

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

23. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Other payables-Statutory	172.74	225.73
Other payables	181.48	188.05
Advances received against sales	1,431.37	2,912.30
Total	1,785.59	3,326.08

24. INCOME TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Income Tax Liabilities (Net)	41.40	-
Total	41.40	-

25. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Machine Tools - Indigenous	19,411.23	14,441.56
Machine Tools - Exports	2,560.63	1,499.31
Components	12,459.70	12,307.22
Total Gross Sales	34,431.56	28,248.09
Less : GST	5,077.57	4,217.85
Total Net Sales	29,353.99	24,030.24

26. OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income		
- Margin Money	43.90	29.90
- Others	41.53	322.42
Foreign Exchange gain	32.76	31.18
Profit on sale of Asset	1.41	-
Miscellaneous Income	48.58	37.32
Total	168.18	420.82

27. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventory at the beginning of the year	2,155.93	1,743.49
Add: Purchase of Materials	17,253.24	15,053.80
	19,409.17	16,797.29
Less: Inventory at the end of the year	2,294.07	2,155.93
Total	17,115.10	14,641.36

The details of Material Consumed are not given as they consist of various types, which are not practicable to give.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventory at the beginning of the year		
Finished Goods	724.25	690.93
Work-in-Progress	8,349.79	7,393.23
	9,074.04	8,084.16
Inventory at the end of the year		
Finished Goods	554.76	724.25
Work-in-Progress	8,896.37	8,349.79
	9,451.13	9,074.04
Total	(377.09)	(989.88)

29. OTHER MANUFACTURING EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Consumable Stores	175.31	194.16
Job works (processing charges)	858.11	885.22
Packing material	241.59	186.03
Freight and cartage	382.15	353.24
Power and fuel	836.56	763.11
Testing charges	16.14	15.98
Unloading Charges	1.27	2.28
Repairs and Maintenance - Plant and Machinery	315.36	279.52
Total	2,826.49	2,679.54

30. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, Wages and Bonus	4,997.38	4,288.30
Contribution to PF,ESI and Other Funds	213.45	182.85
Staff Welfare expenses	192.78	149.00
Total	5,403.61	4,620.15

31. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expenses	1,003.54	945.43
Bank charges	144.42	128.94
Total	1,147.96	1,074.37

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

32. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On Property, Plant and Equipment	974.69	895.08
On Right of Use Asset	6.79	6.57
On intangible Assets	15.66	6.80
Total	997.14	908.45

33. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rent	85.83	88.46
Rates and Taxes	235.11	71.61
Insurance	52.86	42.76
Travelling and Conveyance	299.37	272.69
Printing and Stationery	50.82	45.25
Postage and Telephones	25.41	21.01
Vehicles Maintenance	89.22	85.94
Directors Sitting Fee	3.50	1.90
Sales Commission	146.20	154.74
Professional Charges	134.80	153.09
Auditor's Remuneration :		
- As Auditors	5.00	5.00
Business Promotion Expenses	29.63	24.84
Advertisement	8.57	18.77
Donations	2.05	0.99
Miscellaneous Expenses	95.85	112.71
Security Charges	113.81	100.86
Exhibition expenses	79.04	78.82
Service charges	102.39	72.70
C S R Expenditure (Refer Note 44)	20.56	5.71
Bad Debts written off	94.89	62.21
Loss on sale of Asset	-	9.37
R & D Expenditure	6.08	-
Discount Charges	35.61	103.55
Fair value loss on Equity Investments	10.00	10.00
Factory Maintenance	105.41	118.14
Foreign exchange loss	3.40	10.07
Total	1,835.41	1,671.19

34. EXCEPTIONAL ITEMS :

Exceptional item of **NIL** for the year ended March 31, 2024 (March 31, 2023 - ₹159.14 Lakhs) is on account of insurance claim received with respect to damaged machinery in transit.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**
35. EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a Profit for the year (₹ in Lakhs)	1,384.79	967.35
b Weighted average number of equity shares of ₹ 10/- each		
Basic & Diluted	1,80,34,475	1,78,96,770
c Earning per share		
Basic & Diluted	7.68	5.41

36. INCOME TAXES

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
i) Tax Expense/(Credit) recognised in Statement of Profit and Loss		
Current tax	372.13	287.89
Deferred Tax	194.73	195.41
Income tax of earlier years	103.68	-
Total	670.54	483.30
ii) Effective Tax Reconciliation		
Profit/ (Loss) before tax	2055.33	1450.65
Applicable tax rate	29.12%	29.12%
Tax Expense/(Credit) at applicable tax rate in India	598.51	422.43
Increase / (decrease) in tax expenses on account of:		
i) Non-deductible expenses for tax purpose	11.63	2.05
ii) Income tax of earlier years	103.68	
iii) Other Adjustments	(43.28)	58.82
Tax Expense/(Credit) as per Statement of Profit and Loss	670.54	483.30

37. FAIR VALUE MEASUREMENT:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for such asset or liability, or in the absence of a principal market, in the most advantageous market which is accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

- a. **Level 1** – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.
- b. **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- c. **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(₹ in Lakhs)

Particulars	As at		
	Fair value hierarchy Level	March 31, 2024	March 31, 2023
Financial Assets measured at FVTPL			
Investments in Equity instruments	2	130	140
Net Term loans	2	10955.99	8114.57

38. CONTINGENT LIABILITIES & COMMITMENTS.

Contingent Liabilities and commitments not provided for on account of:

(₹ in Lakhs)

S. No	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a	Letter of credit	1033.16	1923.08
b	Bank Guarantees	730.95	1068.24
c	Under Excise and Service Tax	497.45	497.45
d	Under GST Act	179.81	60.31
e	Damages U/s 14B of EPF Act	0.00	24.28

39. RETIREMENT BENEFIT OBLIGATIONS:

The liability on account of Gratuity for this financial year is calculated as mentioned below. Based on the actuarial valuation, provision for the same is made in the books of accounts of ₹ 467.75 Lakhs. The Company is in the process of obtaining planned assets by way of Gratuity insured policy as per Ind AS 19.

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	380.77	368.48
Interest cost	29.99	25.66
Current Service Cost	39.32	26.76
Benefits Paid	(21.91)	(35.84)
Actuarial gain / (Loss) on obligations	74.12	(4.29)
Present value of obligations as at end of year	502.29	380.77
B Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	13.09	12.20
Expected return on plan assets	0.00	0.89
Contributions	21.91	35.84
Benefits Paid	(21.91)	(35.84)
Actuarial gain / (Loss) on Plan assets	0	0
Fair value of plan assets at the end of year	13.09	13.09
C Table showing fair value of plan assets		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Fair value of plan assets at beginning of year	13.09	12.20
Actual return on plan assets	0.00	0.89
Contributions	21.91	35.84
Benefits Paid	(21.91)	(35.84)
Actuarial gain / (Loss) on Plan assets	0	0
Fair value of plan assets at the end of year	13.09	13.09
Funded status	3.68	3.68
Excess of Actual over estimated return on plan assets	Nil	Nil
D Key Assumptions:		
Discount Rate	7.23%	7.51%
Salary Escalation	2.00%	2.00%

40. RELATED PARTY DISCLOSURE:
1) Related Parties:
(A) Key Management Personnel (KMP)

- | | | |
|-----------------------|---|-------------------------|
| i) M. Lokeswara Rao | - | Managing Director |
| ii) B. Kishore Babu | - | Whole Time Director |
| iii) M. Srinivas | - | Whole Time Director |
| iv) M. Srikrishna | - | Whole Time Director |
| v) V. Sudhakara Reddy | - | Chief Financial Officer |
| vi) Guruprith Singh | - | Company Secretary |

(B) Non-Executive Directors

- | | | |
|---------------------|---|---------------------------|
| i) B.R. Mahesh | - | Independent Director |
| ii) S.S. Raman | - | Independent Director |
| iii) D. Balaji | - | Independent Director |
| iv) M. Likhitha | - | Non- Independent Director |
| v) K. Krishna Swamy | - | Non- Independent Director |

(C) Entities in which the key management and their relations are interested where transaction exists:
i) MLR Motors Limited
2) Transactions during the year

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(₹ in Lakhs)

Name of the party	Nature of transaction	Year ended March 31, 2024	Year ended March 31, 2023
M. Lokeswara Rao	Remuneration	60.00	12.00
	Unsecured Loan received	395.00	0.00
	Unsecured loan repaid	395.00	0.00
B. Kishore Babu	Remuneration	54.00	54.00
M.Srinivas	Remuneration	78.00	78.00
	Unsecured Loan received	100.00	0.00
	Unsecured loan repaid	100.00	0.00
M.Srikrishna	Remuneration	78.00	78.00
	Unsecured Loan received	200.00	0.00
	Unsecured loan repaid	200.00	0.00
V Sudhakara Reddy	Remuneration	36.00	30.00
Gurprit Singh	Remuneration	10.80	9.00
M.Srinivas & M.Sri Krishna	Rent for Land & Building	51.60	51.60
M.Likhitha	Advance for purchase of Asset	547.25	0.00
MLR Motors Ltd	Capital advance for purchase of capital asset	225.00	0.00

3. Balances for the year ended

(₹ in Lakhs)

Name of the party	Nature of transaction	As at March 31, 2024	As at March 31, 2023
M. Lokeswara Rao	Remuneration	5.00	1.00
B.Kishore Babu	Remuneration	4.50	4.50
M.Srinivas	Remuneration	6.50	6.50
M.Srikrishna	Remuneration	6.50	6.50
V Sudhakara Reddy	Remuneration	3.00	2.50
Gurprit Singh	Remuneration	0.90	0.75
M.Srinivas & M.Sri Krishna -Directors	Rent for Land & Building	4.30	4.30
MLR Motors Ltd	Capital advance for purchase of capital asset	225.00	228.00

4. An amount of ₹ 16.03 Lakhs towards sale of goods and ₹ 317.38 Lakhs towards advance for purchase of asset is pending settlement with MLR Auto Ltd and the same are likely to be settled on or before August 2024.
41. SEGMENT INFORMATION:

The primary reporting of the Company has been performed on the basis of business segment. The Company is organized into two business segments i.e. Machines Division and Component Division. Segments have been identified and reported based on the nature of the products, risks and returns, the organization structure and the internal financial reporting system.

The expenses that are not directly attributable to the business segments are shown as unallocated corporate costs.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and fixed assets, net of allowances.

Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(₹ in Lakhs)

Particulars	Machine Division	Components Division	Un allocated	Total
Revenue				
External sales	19,010.92 (13,737.61)	10,343.07 (10,290.63)	-	29,353.99 (24,030.24)
Intersegment sales	-	-	-	-
Total Revenue	19,010.92 (13,737.61)	10,343.07 (10,290.63)	-	29,353.99 (24,030.24)
Segment Results	3,230.90 (2,357.12)	1,479.60 (1,258.67)	-	4,710.50 (3,615.79)
Corporate Expenses (net)	-	-	2,655.17 (2,165.14)	2,655.17 (2,165.14)
Profit/loss before tax	-	-	-	2,055.33 (1,450.65)
Segment Assets	26,247.30 (22,367.66)	12,810.69 (10,272.29)	-	39,057.99 (32,639.95)
Segment Liabilities	12,478.90 (12,000.01)	6,979.91 (4,742.45)	-	19,458.81 (16,742.46)
Capital expenditure	3,226.29 (126.01)	2,573.35 (1354.65)	-	5,799.76 (1480.86)
Segment depreciation	292.15 (272.95)	704.99 (635.50)	-	997.14 (908.45)

(Amounts in brackets represent previous year figures)

Secondary segment reporting is performed on the basis of geographical location of customers. The operations of the Company are largely confined in India, with export contributing to approximately 6.24% of its annual net sales. The management views the Indian market and export market as distinct geographical segments.

42. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

I. Market Risk

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

- a. Foreign Currency Risk** - Foreign Currency Risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to impact of raw materials and spare parts, capital expenditure and export of Machines. The Company does not enter into any derivative instruments for trading or speculative purposes and the impact foreign currency risk is negligible.
- b. Interest Rate Risk** – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's short term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. Since all the borrowings are on floating rate and constantly monitored, no significant risk of change in interest rate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**
II. Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with banks. The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

III. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

43. CAPITAL MANAGEMENT
Gearing Ratio

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
a) Debt Obligations	11,804.80	8,808.52
b) Cash and Cash equivalents & Other bank balances	848.81	693.95
c) Net Debt (a-b)	10,955.99	8,114.57
(d) Total Equity	19,599.18	15,897.49
Net Debt Equity Ratio (c/d)	0.56	0.51

44. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i) Amount Required to be spent by Company during the year	19.67	4.43
ii) Amount of expenditure incurred	20.56	38.20
iii) Shortfall at the end of the year	Nil	Nil
iv) Excess Spent Proposed to be Carried Forward for Set off	13.00	32.50
v) Nature of CSR activities	Rural development projects & Education	
vi) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**
45. RATIOS

Particulars	Numerator	Denominator	2023-24	2022-23	% Variance	Reason for variance
(a) Current Ratio	Current Assets	Current Liabilities	1.41	1.31	8%	Not Applicable
(b) Debt-Equity Ratio	Debt	Equity	0.60	0.55	9%	Not Applicable
(c) Debt Service Coverage Ratio	EBITDA	Interest + Principal	1.82	1.78	2%	Not Applicable
(d) Return on Equity Ratio	PAT	Average equity	7.80%	6.27%	24%	Not Applicable
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	2.56	2.28	12%	Not Applicable
(f) Trade Receivables turnover ratio	Net sales	Average trade receivable	6.58	5.68	16%	Not Applicable
(g) Trade payables turnover ratio	Net Purchases	Average trade payable	5.21	5.25	1%	Not Applicable
(h) Net capital turnover ratio	Net sales	Working capital	5.34	5.86	9%	Not Applicable
(i) Net profit ratio	PAT	Net sales	4.72%	4.03%	17%	Not Applicable
(j) Return on Capital employed	EBIT	Average capital employed	11.04%	10.10%	9%	Not Applicable
(k) Return on investment	PAT	Average equity	NA	NA		

46. ADDITIONAL DISCLOSURES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013:

- i) The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- ii) The Company do not have any transactions with companies struck off.
- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not been declared a willful defaulter by any bank or financial institution or any other lender during the current period.
- v) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds), other than in the ordinary course of business by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- vii) The Company has not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

47. Previous Year's figures have been regrouped wherever necessary to correspond with the current year's figures. Except when otherwise stated, the figures are presented in Rupees in Lakhs.

As per our report of even date attached

For Brahamayya & Co
Chartered Accountants
Firm's Registration No : 000513S

K Shravan
Partner
Membership No.: 215798
Place: Hyderabad
Date: May 22, 2024

For and on behalf of the Board

M. LOKESWARA RAO
Managing Director
DIN : 00989447

V. SUDHAKARA REDDY
Chief Financial Officer

M.SRINIVAS
Whole-Time Director
DIN : 00917565

GURPRIT SINGH
Company Secretary

40TH ANNUAL GENERAL MEETING

NOTICE

NOTICE is hereby given that the 40th Annual General Meeting ("AGM") of the members of the Lokesh Machines Limited ("the Company") will be held on Friday, the 27th day of September 2024 at 11:00 A.M. (IST) through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. Adoption of financial statements

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2024, and the reports of the Board of Directors and the auditors thereon.

2. Appointment of Mr. K. Krishna Swamy (DIN: 00840887) as a director, liable to retire by rotation

To appoint a director in place of Mr. K. Krishna Swamy (DIN: 00840887), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr. Mullapudi Lokeswara Rao (DIN: 00989447) as Managing Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 117, 164, 179, 196, 197, 198, 203 of Companies Act, 2013 ("the Act") and/or other applicable provisions, if any, of the Act read with Schedule V thereof and the rules made there under as amended, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") as amended, the Article of Association of the Company, as per the recommendation of the Nomination & Remuneration Committee and Board of Directors and approval of the Central Government and other authorities, if required, consent of the members of the Company be and is hereby granted for the re-appointment and remuneration of Mr. Mullapudi Lokeswara Rao (DIN: 00989447) as the Managing Director of the Company for a period of 3 years with effect from October 01, 2024 to September 30, 2027 on the following terms and conditions:

1. Period of re-appointment: 3 Years from October 01, 2024, to September 30, 2027;
2. Consolidated salary of ₹ 5,00,000/- (Rupees Five Lakhs only) per month;

3. All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company;
4. Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the Companies Act, 2013 & the Rules made there under, Income Tax Act, 1961/ Rules made there under, FEMA Guidelines and as per RBI Regulations;

RESOLVED FURTHER THAT notwithstanding the above, in the absence of or inadequacy of profits in any financial year Mr. Mullapudi Lokeswara Rao (DIN: 00989447) be paid the above remuneration as minimum remuneration subject to the requisite approval, if any, not exceeding the maximum limits laid down in Schedule V of the Companies Act, 2013 as amended from time to time;

RESOLVED FURTHER THAT pursuant to Section 196 read with Schedule V of the Companies Act, 2013 approval of the members of the Company be and is hereby granted for continuation of holding office of Managing Director by Mr. Mullapudi Lokeswara Rao (DIN: 00989447) who has attained the age of 70 years, as per the above-mentioned terms and conditions;

RESOLVED FURTHER THAT in terms of the provisions of Section 2(51) of the Act, Mr. Mullapudi Lokeswara Rao (DIN: 00989447) be and is hereby designated as Key Managerial Personnel (KMP) and to perform such functions as may be necessary under the Act or rules made there under or assigned to him by the Board from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such necessary steps as may be necessary, proper or expedient to give effect to this resolution".

4. Re-appointment of Mr. Bollineni Kishore Babu (DIN: 00840630) as Whole-time Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 164, 179, 196, 197, 198, 203 of the Companies Act, 2013 ("the Act") and/or any other applicable provisions of the Act read with Schedule V thereof and rules made there under as amended, SEBI (Listing Obligations and Disclosure Requirements) Regulations

2015 ("the Listing Regulations") as amended, Articles of Association of the Company, as per the recommendations of Nomination & Remuneration Committee and Board of Directors and approval of the Central Government and other authorities, if required, consent of the Members of the Company be and is hereby accorded to the re-appointment & remuneration of Mr. Bollineni Kishore Babu (DIN: 00840630) as Whole-time Director of the Company for a period of 3 years with effect from October 01, 2024 to September 30, 2027 **AND THAT** he shall not be liable for retirement by rotation on the following terms and conditions:

1. Period of re-appointment: 3 Years from October 01, 2024, to September 30, 2027;
2. Consolidated remuneration of ₹ 6,00,000/- (Rupees Six Lakh Only) per month;
3. All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company;
4. Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the Companies Act, 2013 & the Rules made there under, Income Tax Act, 1961/ Rules made there under, FEMA Guidelines and as per RBI Regulations;

RESOLVED FURTHER THAT pursuant to Section 196 read with Schedule V of the Companies Act, 2013 approval of the members of the Company be and is hereby granted for continuation of holding office of Whole-time Director by Mr. Bollineni Kishore Babu (DIN: 00840630) who will attain the age of 70 years during the continuation of his tenure of appointment, as per the above-mentioned terms and conditions;

RESOLVED FURTHER THAT notwithstanding the above, in the absence of or inadequacy of profits in any financial year Mr. Bollineni Kishore Babu (DIN: 00840630) be paid the above remuneration as minimum remuneration subject to the requisite approval, if any, not exceeding the maximum limits laid down in Schedule V of the Companies Act, 2013 as amended from time to time;

RESOLVED FURTHER THAT in terms of the provisions of Section 2(51) of the Act, Mr. Bollineni Kishore Babu (DIN: 00840630) be and is hereby designated as Key Managerial Personnel (KMP) and to perform such functions as may be necessary under the Act or rules made there under or assigned to him by the Board from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such necessary steps as may be necessary,

proper or expedient to give effect to this resolution".

5. Re-appointment of Mr. Mullapudi Srinivas (DIN: 00917565) as Whole-time Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 164, 179, 196, 197, 198, 203 of the Companies Act, 2013 ("the Act") and/or any other applicable provisions of the Act read with Schedule V thereof and rules made there under as amended, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("the Listing Regulations") as amended, Articles of Association of the Company, as per the recommendations of Nomination & Remuneration Committee and Board of Directors and approval of the Central Government and other authorities, if required, consent of the Members of the Company be and is hereby accorded to the re-appointment & remuneration of Mr. Mullapudi Srinivas (DIN: 00917565) as Whole-time Director of the Company for a period of 3 years with effect from October 1, 2024 to September 30, 2027 **AND THAT** he shall not be liable for retirement by rotation on the following terms and conditions."

1. Period of re-appointment: 3 Years from October 01, 2024, to September 30, 2027;
2. Consolidated remuneration of ₹ 8,00,000/- (Rupees Eight Lakh Only) per month;
3. All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company;
4. Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the Companies Act, 2013 & the Rules made there under, Income Tax Act, 1961/ Rules made there under, FEMA Guidelines and as per RBI Regulations;

RESOLVED FURTHER THAT notwithstanding the above, in the absence of or inadequacy of profits in any financial year Mr. Mullapudi Srinivas (DIN: 00917565) be paid the above remuneration as minimum remuneration subject to the requisite approval, if any, not exceeding the maximum limits laid down in Schedule V of the Companies Act, 2013 as amended from time to time;

RESOLVED FURTHER THAT in terms of the provisions of Section 2(51) of the Act, Mr. Mullapudi Srinivas (DIN: 00917565) be and is hereby designated as Key Managerial Personnel (KMP) and to perform such functions as may be necessary under the Act or rules

made there under or assigned to him by the Board from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such necessary steps as may be necessary, proper or expedient to give effect to this resolution".

6. Re-appointment of Mr. Mullapudi Srikrishna (DIN: 00841388) as Whole-time Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 164, 179, 196, 197, 198, 203 of the Companies Act, 2013 ("the Act") and/or any other applicable provisions of the Act read with Schedule V thereof and rules made there under as amended, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("the Listing Regulations") as amended, Articles of Association of the Company, as per the recommendations of Nomination & Remuneration Committee and Board of Directors and approval of the Central Government and other authorities, if required, consent of the Members of the Company be and is hereby accorded to the re-appointment & remuneration of Mr. Mullapudi Srikrishna (DIN: 00841388) as Whole-time Director of the Company for a period of 3 years with effect from October 01, 2024 to September 30, 2027, **AND THAT** he shall not be liable for retirement by rotation and on the following terms and conditions:

1. Period of re-appointment: 3 Years from October 01, 2024, to September 30, 2027;
2. Consolidated remuneration of ₹ 8,00,000/- (Rupees Eight Lakh Only) per month;
3. All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company;
4. Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the Companies Act, 2013 & the Rules made there under, Income Tax Act, 1961/ Rules made there under, FEMA Guidelines and as per RBI Regulations;

RESOLVED FURTHER THAT notwithstanding the above, in the absence of or inadequacy of profits in any financial year Mr. Mullapudi Srikrishna (DIN: 00841388) be paid the above remuneration as minimum remuneration subject to the requisite approval, if any,

in terms of Schedule V of the Companies Act, 2013 as may be applicable to the Company from time to time;

RESOLVED FURTHER THAT in terms of the provisions of Section 2(51) of the Act, Mr. Mullapudi Srikrishna (DIN: 00841388) be and is hereby designated as Key Managerial Personnel (KMP) and to perform such functions as may be necessary under the Act or rules made there under or assigned to him by the Board from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such necessary steps as may be necessary, proper or expedient to give effect to this resolution."

7. Appointment of Mr. Meka Yugandhar (DIN: 00012265) as Non-executive Independent Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 ("the Act") read with Schedule IV and the Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time and other applicable provisions of the Act read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing regulations") and other applicable provisions of the SEBI Listing regulations, Mr. Meka Yugandhar (DIN: 00012265) who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of director of the Company, being eligible, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from September 29, 2024 to September 28, 2029 **AND THAT** he shall not be liable to retire by rotation **AND THAT** he shall continue to be the Independent Director of the Company beyond the age of 75 years till the expiry of his term i.e. till September 28, 2029;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with concerned ROC, Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

8. Re-appointment of Mr. Dorairajan Balaji (DIN: 01872392) as Non-executive Independent Director

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152, read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended from time to time read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing regulations") and other applicable provisions of the SEBI Listing regulations, Mr. Dorairajan Balaji (DIN: 01872392) an Independent director on the Board of the Company, whose existing term as an Independent Director of the Company expired on August 13, 2024 and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director of the Company for a second term of five years from August 14, 2024 to August 13, 2029 **AND THAT** he shall not be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with concerned ROC, Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

9. Approval for continuation of Mr. K. Krishna Swamy (DIN: 00840887) as Non- Executive Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time consent of the members of the Company be and is hereby accorded to Mr. K. Krishna Swamy (DIN: 00840887) director of the Company to continue and

hold office of non-executive director under the current tenure of appointment notwithstanding that he has attained the age of 75 years;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with concerned ROC, Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

10. Ratification of Remuneration of Cost Auditors.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the consent of the members be and is hereby given for payment of remuneration of ₹ 1,00,000/- (Rupees One Lakh Only) plus out of Pocket expenses upto ₹ 10,000/- (Rupees Ten Thousand Only) excluding GST and other applicable taxes., to M/s Naval & Associates, Cost Accountants (Firm Reg. No. 002319) to audit the cost records maintained by the Company for the financial year ending March 31, 2025;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with concerned ROC, Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

By Order of the Board

Place: Hyderabad

For **LOKESH MACHINES LIMITED**

Date: August 14, 2024

Registered Office:

B-29, EEIE, Stage- II, Balanagar,
Hyderabad-500037, Telangana

Sd/-

Gurprit Singh

Company Secretary

NOTES:

- 1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 Ordinary & Special Business i.e., item 3 to 10, is annexed hereto. The relevant details (including profile and expertise in specific functional areas), pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015 and as per Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment/re-appointment at this AGM is also annexed. The Directors have furnished the requisite consent/declarations for their appointment /re-appointment as required under Companies Act, 2013 and the Rules there under.
- 2) Pursuant to the General Circular No. 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023, issued by SEBI, read with previous circulars (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
- 3) A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to ldreddy2016@gmail.com with a copy marked to evoting@nsdl.com.
- 4) The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 5) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 6) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company under Investors Section at <https://www.lokeshmachines.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- 7) Pursuant to the provisions of Section 124, 125 of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the amount of dividend remaining unpaid for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. Members who have not encashed their dividend are requested to contact the RTA of the Company in this regard. The amount so transferred to IEPF cannot be claimed from the Company. Further Shares on which dividend remain unclaimed for seven consecutive years will be transferred to IEPF as per Section 124 of the Companies Act, 2013 and the applicable Rules. The Company is providing/ hosting the required details of unclaimed amount/ shares referred to under Section 124 of the Act on its website www.lokeshmachines.com. The concerned members/investors are requested to refer to Page No. 69 this Annual Report or contact our RTA M/s KFin Technologies Limited for instructions on lodging claims for refund of shares and /or dividend from the IEPF Authority.
- 8) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- 9) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2024, to September 27, 2024 (both days inclusive).

- 10) Members must quote their Folio Number/ Demat Account number and contact details such as email address, contact number etc. in all correspondence with the Company/Registrar and Share Transfer Agents.
- 11) Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company.
- 12) Members are requested to update their preferred e-mail ids with the Depository Participants / Company's Registrar and Transfer Agents, which will be used for the purpose of sending the official documents through e-mail in future. The RTA address is given below:

M/s. KFin Technologies Limited,

Unit: Lokesh Machines Limited

Selenium Tower B, Plot No.31-32, Financial District,
Nanakramguda, Serilingampally, Hyderabad - 500 032,
Email ID: einward.ris@kfintech.com
Toll Free/ Phone Number: 1800 309 4001
WhatsApp Number: (91) 910 009 4099
KPRISM (Mobile Application): <https://kprism.kfintech.com/>
KFINTECH Corporate Website: <https://www.kfintech.com>
RTA Website: <https://ris.kfintech.com>
Investor Support Centre (DIY Link): <https://ris.kfintech.com/clientservices/isc>

- 13) Shareholders are requested to immediately notify the Registrars and Share Transfer Agents or the Depository participants (in case of shares which have been dematerialized) of any change in their address and/ or bank account details to ensure correct and prompt receipt of the Dividend Warrants in case of declaration of dividend.
- 14) Pursuant to SEBI notification dated June 08, 2018, transfer of shares in physical mode is prohibited and mandates holding in Demat mode except in case of transmission or transposition. Accordingly, members are requested convert physical holding to demat through depository participant. Members may contact Company via mail to cosecy@lokeshmachines.com or RTA at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx> for any assistance in the process of physical to demat shares.
- 15) Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding/trading. SEBI vide its Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 read with SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022, has mandated all shareholders holding shares in physical form ("physical shareholders") to furnish their PAN, Nomination and KYC details (PAN, Contact Details, Bank Account Details & Specimen Signature) with companies. Further linking of PAN and Aadhaar is also mandated by the Central Board of Direct Taxes (CBDT). Brief procedure for updation of PAN, Bank

Account, KYC and nomination details is given hereunder:

Type of holder	Process to be followed	
Physical Shareholders	For availing the following investor services, send a written request in the prescribed forms to RTA by post (self-attested & dated) to KFin Technologies Private Limited, Unit: Lokesh Machines Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 & also scanned copy of the same at E-mail: einward.ris@kfintech.com	
	Form to register PAN, e-mail address, bank details and other KYC details or changes/ updation thereof for securities held in physical mode	Form ISR-1
	Updation of signature of securities holder	Form ISR-2
	For nomination as provided in the Rule 19(1) of the Companies (Share Capital and debenture) Rules, 2014	Form SH-13
	Declaration to opt out nomination	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3)/ Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for securities held in physical mode	Form ISR-4
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP	

- 16) Effective April 1, 2024, SEBI has mandated that the shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend, if declared only in electronic mode. Accordingly, payment of any dividend, if declared is subject to approval at the AGM and shall be paid to physical holders only after the above details are updated in their folios. Shareholders are requested to complete their KYC by writing to the Company's RTA, KFin Technologies Limited, at einward.ris@kfintech.com. The forms for updating the same are available at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>
- 17) An electronic copy of the Annual Report and the Notice of the 40th AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.
- 18) Relevant documents and registers will be available for inspection by the members at the registered office of the Company. Members seeking any information with regard to the accounts or any other matter to be placed at the AGM are requested to write to the Company on or before Friday, September 20, 2024, through email at cosecy@lokeshmachines.com. The same will be replied by the Company suitably.
- 19) As per the green initiatives issued by the Ministry of Corporate Affairs, all companies are allowed to send official documents to their shareholders electronically. Henceforth, we propose to send documents like notice convening the general meetings, financial statements etc. to the email address registered with the Company.
- 20) The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), within two working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and RTA, and will also be displayed on the Company's website at www.lokeshmachines.com.
- 21) Since the AGM will be held through VC / OAVM, the route map is not annexed in this notice.

EXPLANATORY STATEMENT**Pursuant to Section 102(1) of Companies Act, 2013**

Note: For the ease of understanding and information of the shareholders, the detailed disclosures as required under Companies Act, 2013 read with SEBI (LODR) Regulations, 2015 are provided in a consolidated form in the latter part of this Notice of AGM.

Item # 3

The Shareholders at the 37th Annual General Meeting of the Company held on September 28, 2021, had appointed Mr. Mullapudi Lokeswara Rao as the Managing Director of the Company for a period of 3 years, starting from October 1, 2021, to September 30, 2024, on the terms and conditions of appointment contained in the said resolution.

Subject to approval of the members at the AGM and based on the recommendation of Nomination & Remuneration committee, the Board vide resolution dated August 14, 2024, recommended the reappointment & remuneration of Mr. Mullapudi Lokeswara Rao as the Managing Director of the Company for a period of 3 years effective from October 01, 2024.

The approval of the members is being sought for the reappointment & remuneration of Mr. Mullapudi Lokeswara Rao as Managing Director of the Company for a period of 3 years effective from October 01, 2024.

The board recommends the resolution for your approval as a Special Resolution.

Item # 4

The Shareholders at the 37th Annual General Meeting of the Company held on September 28, 2021, had appointed Mr. Bollineni Kishore Babu as the Whole-time Director of the Company for a period of 3 years, starting from October 1, 2021, to September 30, 2024, on the terms and conditions of appointment contained in the said resolution.

Subject to approval of the members at the AGM and based on the recommendation of Nomination & Remuneration committee, the Board vide resolution dated August 14, 2024, recommended the reappointment & remuneration of Mr. Bollineni Kishore Babu as the Whole-time Director of the Company for a period of 3 years effective from October 01, 2024.

The approval of the members is being sought for the reappointment & remuneration of Mr. Bollineni Kishore Babu as Whole-time Director of the Company for a period of 3 years effective from October 01, 2024.

The board recommends the resolution for your approval as a Special Resolution.

Item # 5

The Shareholders at the 37th Annual General Meeting of the Company held on September 28, 2021, had appointed

Mr. Mullapudi Srinivas as the Whole-time Director of the Company for a period of 3 years, starting from October 01, 2021, to September 30, 2024, on the terms and conditions of appointment contained in the said resolution.

Subject to approval of the members at the AGM and based on the recommendation of Nomination & Remuneration committee, the Board vide resolution dated August 14, 2024, recommended the reappointment & remuneration of Mr. Mullapudi Srinivas as the Whole-time Director of the Company for a period of 3 years effective from October 01, 2024.

The approval of the members is being sought for the reappointment & remuneration of Mr. Mullapudi Srinivas as Whole-time Director of the Company for a period of 3 years effective from October 01, 2024.

The board recommends the resolution for your approval as a Special Resolution.

Item # 6

The Shareholders at the 37th Annual General Meeting of the Company held on September 28, 2021, had appointed Mr. Mullapudi Srikrishna as the Whole-time Director of the Company for a period of 3 years, starting from October 01, 2021, to September 30, 2024, on the terms and conditions of appointment contained in the said resolution.

Subject to approval of the members at the AGM and based on the recommendation of Nomination & Remuneration committee, the Board vide resolution dated August 14, 2024, recommended the re-appointment of Mr. Mullapudi Srikrishna as the Whole-time Director of the Company for a period of 3 years effective from October 01, 2024.

The approval of the members is being sought for the re-appointment of Mr. Mullapudi Srikrishna as Whole-time Director of the Company for a period of 3 years effective from October 01, 2024.

The board recommends the resolution for your approval as a Special Resolution.

Item # 7

Pursuant to the provisions of Sections 149, 150, 152 of the Companies Act, 2013 and the rules made thereunder read with Regulation 17 and other the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and keeping in view of his vast experience, knowledge and managerial skills, the Board constituted Nomination & Remuneration Committee has recommended to the Board his appointment as an Independent Director of the Company. The Board is also of the view that it will be in the best business interest of the Company that Mr. Yugandhar Meka is appointed as an Independent Director of the

Company, for a term of five years from September 29, 2024 to September 28, 2029 subject to approval of members of the company and that he shall not be liable to retire by rotation and he shall continue to be the Independent Director of the Company beyond the age of 75 years till the expiry of his term i.e. up to September 28, 2029.

In the opinion of the Board, Mr. Yugandhar Meka fulfils the conditions specified in the Act and Rules made thereunder and SEBI Listing Regulations for his appointment as Independent Director of the Company and is independent of the Management.

Upon approval of the shareholders to his appointment as Independent Director his appointment shall be formalized by issuing a letter of appointment to him, which shall be open for inspection by the members at the registered office of the Company, in terms of applicable provisions of the Act.

Furthermore, Mr. Yugandhar Meka (DIN: 00012265), has given his respective declarations to the Board that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Yugandhar Meka is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and he has given his consent to act as Director. The Company has also received notices from Members under Section 160 of the Companies Act, 2013, signifying their intention to propose the candidature of Mr. Yugandhar Meka for the office of Non-Executive Independent Director of the Company.

Except for Mr. Yugandhar Meka being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out in Item # 7.

The Board recommends the resolution at Item # 7 in relation to the appointment of Mr. Yugandhar Meka as Non-Executive Independent Directors for the approval by the shareholders of the Company by way of Special Resolution.

Item # 8

Pursuant to the provisions of Sections 149, 150, 152 of the Companies Act, 2013 and the rules made thereunder read with Regulation 17 and other the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and keeping in view of his vast experience, knowledge and managerial skills, the Board constituted Nomination & Remuneration Committee has recommended to the Board his re-appointment as an Independent Director of the Company. The Board is also of the view that it will be in the best business interest of the Company that Mr. Dorairajan Balaji (DIN: 01872392), is re-

appointed as Non-Executive Independent Director of the Company for a second term of five years, from August 14, 2024 to August 13, 2029 subject to approval of members of the Company, not liable to retire by rotation.

In the opinion of the Board, and based on the Board's evaluation, Mr. Dorairajan Balaji fulfils the conditions specified in the Act and Rules made thereunder and SEBI Listing Regulations for his re-appointment as Independent Director of the Company and is independent of the Management.

Upon approval of the shareholders, his re-appointment shall be formalized by issuing a letter of appointment to him, which shall be open for inspection by the members at the registered office of the Company, in terms of applicable provisions of the Act.

Mr. Dorairajan Balaji (DIN: 01872392), has given his respective declarations to the Board that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Dorairajan Balaji is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and he has given his consent to act as Director.

Except for Mr. Dorairajan Balaji being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out in Item # 8.

The Board recommends the resolution at Item # 8 in relation to the re-appointment of Mr. Dorairajan Balaji as Non-Executive Independent Directors for the approval by the shareholders of the Company by way of Special Resolution.

Item # 9

Mr. K. Krishna Swamy, aged about 80 years was appointed as Non-Executive Director of the Company. As per the Regulation 17(1A) of SEBI (LODR) Regulations, 2015, a special resolution is required for appointment/continuation of any non-executive director who has attained the age of 75 years or more. Mr. Krishna Swamy reached the age of 75 years during the term of his appointment. Hence this Special Resolution is placed before the shareholders.

In the opinion of the Board, Mr. K. Krishna Swamy's extensive experience of over 50 years in the machine tools industry, particularly in designing various machines, make his guidance and mentorship invaluable for the new generation of engineers joining our company.

Accordingly, the consent of the members is sought to pass a Special Resolution as set out at Item No.9 of the Notice for continuation of his appointment.

Item # 10

Subject to the ratification of remuneration by the shareholders, the Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Naval & Associates., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025, at a remuneration of ₹ 1,00,000/- (Rupees One Lakh Only) plus out of Pocket expenses up to ₹ 10,000/- (Rupees Ten Thousand Only) excluding GST and other applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way concerned or interested, financially or otherwise, in the ordinary resolution set out in item No.10 of the Notice.

The Board recommends the resolution for your approval as an Ordinary Resolution.

Detailed disclosures as required under Section II, Part II of Schedule V of the Companies Act, 2013 regarding the resolution No. 3, 4, 5 & 6 of the Notice of AGM.

I. General Information			
1. Nature of Industry	The Company is engaged in the business of manufacture of Machines Tools such as CNC Machines, Special purpose machines and Auto components.		
2. Date or expected date of commencement of commercial production	The Company is already in existence and is in operation since December 17, 1983.		
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable		
4. Financial performance based on given indicators:	(₹ In Lakhs)		
	Particulars	(2023-24)	(2022-23)
	Net Sales	29,353.99	24,030.24
	Other Income	168.18	420.82
	Total Income	29,522.17	24,451.06
	Total Expenses	27,466.84	23,159.55
	Profit before Taxes	2,055.33	1,450.65
	Tax Expenses		
	Less: (i) Current Tax	372.13	287.89
	(ii) Earlier years	103.68	-
	(iii) Deferred Tax	194.73	195.41
	Profits/ (Loss) after Taxes	1,384.79	967.35
	Earnings Per Equity Share:		
	Basic	7.68	5.41
	Diluted	7.68	5.41
5. Foreign investments or collaborations, if any.	Not Applicable		
II. (A) Information about the appointee-Mullapudi Lokeswara Rao			
1. Background details	Mr. Mullapudi Lokeswara Rao, aged about 79 years, founded Lokesh Machines Limited, is a technocrat with more than 50 years of vast experience in the machine tools industry. He started his career with KCP Limited in 1965 and after a brief period joined Hindustan Machine Tools Limited (HMT) in 1966. While working at HMT for almost a decade Mr. Rao has obtained a methodical understanding and insight into the machine tools industry.		

2. Past remuneration	<table border="1"> <thead> <tr> <th>S. No.</th> <th>Financial Year</th> <th>Remuneration per month</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2023-24</td> <td>500,000</td> </tr> <tr> <td>2.</td> <td>2022-23</td> <td>100,000</td> </tr> <tr> <td>3.</td> <td>2021-22</td> <td>100,000</td> </tr> </tbody> </table>	S. No.	Financial Year	Remuneration per month	1.	2023-24	500,000	2.	2022-23	100,000	3.	2021-22	100,000
S. No.	Financial Year	Remuneration per month											
1.	2023-24	500,000											
2.	2022-23	100,000											
3.	2021-22	100,000											
3. Recognition or awards	<p>Mr. Mullapudi Lokeswara Rao has been an active member of Indian Machine Tool Manufactures' Association (IMTMA) for over a decade and served as a member of the Executive Committee for six years. He has also served as Chairman of the Regional Council (South) of IMTMA and was the Vice-president of the association from 2007-2009. He was also the Vice President of the Auto Component Association in Hyderabad.</p>												
4. Job profile, suitability and justification for re-appointment:	<p>Mr. Mullapudi Lokeswara Rao, being the Managing director of Lokesh Machines Limited (LML) is heading the overall management of the Company. With more than 50 years of vast experience in the machine tools industry he is continuously providing his guidance and support on the Board and his presence is crucial for the effective and efficient operations of the business. LML will benefit from his capabilities and therefore the Board wishes to re-appoint him as the Managing Director of the Company.</p>												
5. Remuneration proposed	<ol style="list-style-type: none"> Consolidated remuneration of ₹ 500,000/- (Rupees Five Lakh Only) per month. All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company; Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the Companies Act, 2013 & the Rules made there under, Income Tax Act, 1961/Rules made there under, FEMA Guidelines and as per RBI Regulations; 												
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin);	<p>The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package for top-level managerial personnel having comparable qualifications and experience.</p>												
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any:	<p>Apart from managerial remuneration, Mr. M. Lokeswara Rao holds 8,20,512 Equity Shares along with 2,57,848 Warrants convertible into Equity Shares in the Company. Mr. Mullapudi Lokeswara Rao is the father of Mr. Mullapudi Srinivas & Mr. Mullapudi Srikrishna, Whole-time Directors of the Company.</p>												
II. (B) Information about the appointee- Bollineni Kishore Babu													
1. Background details	<p>Mr. Bollineni Kishore Babu is aged about 67 years with more than 43 years' experience in the field of Machine Tool Industry. He started his career in Hindustan Machine Tools (HMT) as Trainee Engineer and later joined Lokesh Machines Ltd. as a Director. He is with LML since last 22 years and currently heading SPM division of the Company.</p>												
2. Past remuneration	<table border="1"> <thead> <tr> <th>S. No.</th> <th>Financial Year</th> <th>Remuneration per month</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2023-24</td> <td>450,000</td> </tr> <tr> <td>2.</td> <td>2022-23</td> <td>450,000</td> </tr> <tr> <td>3.</td> <td>2021-22</td> <td>450,000</td> </tr> </tbody> </table>	S. No.	Financial Year	Remuneration per month	1.	2023-24	450,000	2.	2022-23	450,000	3.	2021-22	450,000
S. No.	Financial Year	Remuneration per month											
1.	2023-24	450,000											
2.	2022-23	450,000											
3.	2021-22	450,000											
3. Job profile, suitability and justification for re-appointment:	<p>He has acquired all-round exposure and experience with various aspects of operations of the Company right from shop floor, designs, planning, production, assembly, Purchase and application engineering for the past 22 years. As a whole-time Director, he is the operational head for SPM divisions. LML will benefit from his capabilities and extensive experience and therefore the Board wishes to re-appoint him as the Whole-time Director of the Company.</p>												

4. Remuneration proposed	<p>a) Consolidated remuneration of ₹ 6,00,000/- (Rupees Six Lakh Only) per month;</p> <p>b) All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company;</p> <p>c) Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the Companies Act, 2013 & the Rules made there under, Income Tax Act, 1961/Rules made there under, FEMA Guidelines and as per RBI Regulations;</p>												
5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin);	<p>The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package for top-level managerial personnel having comparable qualifications and experience.</p>												
6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any:	<p>Apart from managerial remuneration, Mr. Bollineni Kishore Babu holds 11,45,209 Equity Shares along with 2,00,000 Warrants convertible into Equity Shares in the Company. Mr. B Kishore Babu is not related to other Directors, Key Managerial Personnel or their relatives.</p>												
II. (C) Information about the appointee- Mullapudi Srinivas													
1. Background details	<p>Mr. Mullapudi Srinivas aged about 56 years has more than 28 years' experience of working in the Machine tools industry. He holds a BE Degree in mechanical engineering from Bharathiar University and has a MS Degree in manufacturing engineering from the USA. He has been with the Company since the completion of his MS Degree and has been a Whole-time Director at Lokesh Machines Ltd. for the past 19 years. While his initial training was in the SPM Division of the Company, he is now overseeing the operations of the Auto Component Division and is also responsible for the new diversifications besides other administrative responsibilities.</p>												
2. Past remuneration	<table border="1"> <thead> <tr> <th>S. No.</th> <th>Financial Year</th> <th>Remuneration per month</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2023-24</td> <td>6,50,000</td> </tr> <tr> <td>2.</td> <td>2022-23</td> <td>6,50,000</td> </tr> <tr> <td>3.</td> <td>2021-22</td> <td>6,50,000</td> </tr> </tbody> </table>	S. No.	Financial Year	Remuneration per month	1.	2023-24	6,50,000	2.	2022-23	6,50,000	3.	2021-22	6,50,000
S. No.	Financial Year	Remuneration per month											
1.	2023-24	6,50,000											
2.	2022-23	6,50,000											
3.	2021-22	6,50,000											
3. Job profile and his suitability:	<p>He is a Director (Auto Components) & has been with LML for the past 28 years. LML will benefit from his capabilities and therefore the Board wishes to re-appoint him as the Whole-time Director of the Company.</p>												
4. Remuneration proposed	<p>1. Consolidated remuneration of ₹ 8,00,000/- (Rupees Eight Lakh Only) per month.</p> <p>2. All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company;</p> <p>3. Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the Companies Act, 2013 & the Rules made there under, Income Tax Act, 1961/Rules made there under, FEMA Guidelines and as per RBI Regulations;</p>												
5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin);	<p>The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package for top-level managerial personnel having comparable qualification and experience.</p>												
6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any:	<p>Apart from managerial remuneration and rent for land and building, Mr. Mullapudi Srinivas holds 20,48,415 Equity Shares along with 5,67,590 Warrants convertible into Equity Shares in the Company. Furthermore Mr. Mullapudi Srinivas is the son of Mr. Mullapudi Lokeswara Rao, Managing Director & brother of Mr. Mullapudi Srikrishna, Whole-time Director & is father of Ms. Mullapudi Likhitha, Non-executive Director of the Company.</p>												

II. (D) Information about the appointee- Mullapudi Srikrishna

1. Background details	<p>Mr. Mullapudi Srikrishna has more than 28 years of experience in the field of manufacturing. He holds a BE Degree in mechanical engineering from Osmania University, Hyderabad. He has been with the Company since the completion of his BE Degree and has been a Whole-time Director at Lokesh Machines for the past 19 years. While his initial training was in the designs and manufacture of GPM Divisions of the Company, he is now overseeing the operations of the Computerized Numerical Control (CNC) machines division of Lokesh Machines Limited.</p>												
2. Past remuneration	<table border="1"> <thead> <tr> <th>S. No.</th> <th>Financial Year</th> <th>Remuneration per month</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2023-24</td> <td>6,50,000</td> </tr> <tr> <td>2.</td> <td>2022-23</td> <td>6,50,000</td> </tr> <tr> <td>3.</td> <td>2021-22</td> <td>6,50,000</td> </tr> </tbody> </table>	S. No.	Financial Year	Remuneration per month	1.	2023-24	6,50,000	2.	2022-23	6,50,000	3.	2021-22	6,50,000
S. No.	Financial Year	Remuneration per month											
1.	2023-24	6,50,000											
2.	2022-23	6,50,000											
3.	2021-22	6,50,000											
3. Job profile and his suitability:	<p>Mr. Mullapudi Srikrishna has more than 28 years' experience in the field of Mechanical Engineering and has been with Lokesh Machines Limited for the past 28 years. He is presently heading the Computerized Numerical Control (CNC) Machines Division of Lokesh Machines Limited. He has also undergone training initially in the designs and manufacture of General-Purpose Machines. LML will benefit from his capabilities and therefore the Board wishes to re-appoint him as the Whole-time Director of the Company.</p>												
4. Remuneration proposed	<ol style="list-style-type: none"> 1. Consolidated remuneration of ₹ 8,00,000/- (Rupees Eight Lakh Only) per month. 2. All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company; 3. Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the Companies Act, 2013 & the Rules made there under, Income Tax Act, 1961/Rules made there under, FEMA Guidelines and as per RBI Regulations; 												
5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin);	<p>The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparable qualification and experience.</p>												
6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any:	<p>Apart from managerial remuneration and rent for land and building, Mr. Mullapudi Srikrishna holds 19,20,180 Equity Shares along with 4,74,562 Warrants convertible into Equity Shares in the Company. Furthermore, Mr. Mullapudi Srikrishna is the son of Mr. Mullapudi Lokeswara Rao, Managing Director and brother of Mr. Mullapudi Srinivas, Whole-time Director of the Company</p>												
III. OTHER INFORMATION													
1. Reasons of loss or inadequate profits:	<p>The Company has made a reasonable profit during the financial year ended March 31, 2024. Total revenue increased to ₹ 29,353.99 Lakhs, compared to ₹ 24,030.24 Lakhs in the previous year, reflecting a growth of approximately 22.15%. Additionally, the Profit After Tax (PAT) for the year ended March 31, 2024, was ₹ 1,384.79 Lakhs, compared to ₹ 967.35 Lakhs in the previous year, representing a growth of around 43.15% in PAT.</p> <p>The company is making substantial investments in expanding and diversifying its business, and the results of these investments are expected to become evident in the coming years. Therefore, this proposal, under the applicable provisions of Schedule V, is submitted for the shareholders' approval.</p>												
2. Steps taken or proposed to be taken for improvement:	<p>LML management process involves taking continuous steps to improve performance through growth in revenues, managing costs and improving productivity. The financial strategy involves maintaining a secure financial position, managing risks and ensuring accurate and timely reporting of performance.</p>												
3. Expected increase in productivity and profits in measurable terms	<p>Barring unforeseen circumstances, LML expects to close the current financial year with improved sales and profitability.</p>												

PROFILE OF DIRECTORS

(Details of Directors proposed to be appointed/ re-appointed and/or whose remuneration is proposed to be increased)

As required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under Secretarial Standard - 2, the particulars of Directors who are proposed to be appointed/ re-appointed and/or whose remuneration is proposed to be increased at the 40th Annual General Meeting, are given below:

The details of Board and Committee Meetings attended by these Directors during the year 2023-24 are stated in the Corporate Governance Report.

The details of remuneration are provided in the respective resolutions and in the Explanatory Statement

Particulars	Mr. Mullapudi Lokeswara Rao	Mr. Bollineni Kishore Babu	Mr. Srinivas
Age / DOB	79 years (DOB: February 11, 1945)	68 years (DOB: June 08, 1956)	56 years (DOB: June 21, 1968)
Brief resume of the Director including nature of expertise in specific functional areas	Mr. M. Lokeswara Rao, aged about 79 years founded Lokesh Machines Limited, is a technocrat with more than 50 years of vast experience in the machine tool industry. He started his career with KCP Limited in 1965 and after a brief period joined Hindustan Machine Tools Limited (HMT) in 1966. While working at HMT for almost a decade, Mr. Rao obtained a methodical understanding and insight of the machine tool industry. The insights into the machine tool industry supplemented with the entrepreneurial abilities prompted Mr. Rao to start Lokesh Machines Limited. Mr. M. Lokeswara Rao has been an active member of Indian Machine Tool Manufacturers' Association (IMTMA) for over a decade and served as a member of the Executive Committee for six years. He has also served as Chairman of the Regional Council (South) of IMTMA and was the President of the association. He was also the Vice President of the Auto Component Association in Hyderabad	Mr. B. Kishore Babu is about 68 years with immense experience in the field of the Machine Tools Industry. He started his career in Hindustan Machine Tools (HMT) as Trainee Engineer and later joined Lokesh Machines Ltd. Mr. B. Kishore Babu has acquired all-round exposure and experience with various aspects of operations of the company right from shop floor, designs, planning, production, assembly, Purchase and application engineering for the past 22 years. Currently, he is the operational head for SPM division of the Company.	Mr. M. Srinivas aged about 56 years has more than 28 years' experience of working in the Machine tools industry. He holds a BE Degree in mechanical engineering from Bharathiar University and has a MS Degree in manufacturing engineering from the USA. He has been with the Company since the completion of his MS Degree and has been a Whole-time Director at Lokesh Machines Ltd. for the past 19 years. While his initial training was in the SPM Division of the Company, he is now overseeing the operations of the Auto Component Division and is also responsible for the new diversifications besides other administrative responsibilities.
Date of First appointment on the Board	December 17, 1983	May 10, 2002	October 01, 2005
Directorship held in other companies (excluding foreign companies & section 8 companies)	<ul style="list-style-type: none"> • MLR Motors Limited • Lokesh Defence Systems Private Limited 	<ul style="list-style-type: none"> • MLR Motors Limited • Lokesh Defence Systems Private Limited 	<ul style="list-style-type: none"> • MLR Motors Limited • Lokesh Defence Systems Private Limited

Particulars	Mr. Mullapudi Lokeswara Rao	Mr. Bollineni Kishore Babu	Mr. Srinivas
Membership/ Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	Member of Audit Committee in the MLR Motors.	NIL
Listed entities from which the person has resigned in the past three years	NA	NA	NA
Number of Board Meeting attended	9	9	8
Inter-se Relationship between Directors, KMP & their relatives	Mr. Mullapudi Lokeswara Rao is the father of Mr. Mullapudi Srinivas & Mr. Mullapudi Srikrishna, Whole time Directors of the Company.	None	Mr. Mullapudi Srinivas is the son of Mr. Mullapudi Lokeswara Rao, Managing Director & brother of Mr. Mullapudi Srikrishna, Whole-time Director & is father of Ms. Mullapudi Likhitha, Non-executive Director of the Company.
No. of Shares held in the Company (singly or jointly as first holder)	8,20,512	11,45,209	20,48,415
Last remuneration drawn	Disclosed in the explanatory statement	Disclosed in the explanatory statement	Disclosed in the explanatory statement

Particulars	Mr. M. Srikrishna	Mr. Meka Yugandhar	Mr. Dorairajan Balaji
Age / DOB	53 years (DOB: July 31, 1971)	73 years (DOB: July 10, 1951)	57 years (DOB: January 06, 1967)
Brief resume of the Director including nature of expertise in specific functional areas	Mr. M. Srikrishna has more than 28 years of experience in the field of manufacturing. He holds a BE Degree in mechanical engineering from Osmania University, Hyderabad. He has been with the Company since the completion of his BE Degree and has been a Whole-time Director at Lokesh Machines for the past 19 years. While his initial training was in the designs and manufacture of GPM Divisions of the Company, he is now overseeing the operations of the Computerized Numerical Control (CNC) machines division of Lokesh Machines Limited.	Mr. Meka Yugandhar is a fellow member of the Institute of Chartered Accountants of India since 1977. He has more than four decades of immense experience in corporate accounting and governance as a Chartered Accountant.	Mr. Dorairajan Balaji is a Mechanical Engineer by profession and has vast experiences in mechanical engineering filed. He has completed Bachelor of Engineering from Anna University, Tamil Nadu in the year 1989. He has attended Executive MBA from XLRI in the year 2006 and has also attended Global Senior Management Programme from INSEAD in the year 2004.
Date of First appointment on the Board	October 01, 2005	Subject to shareholders approval, the board at its meeting held on August 14, 2024 recommend for appointment as Independent Director.	August 14, 2019

Particulars	Mr. M. Srikrishna	Mr. Meka Yugandhar	Mr. Dorairajan Balaji
Directorship held in other companies (excluding foreign companies & section 8 companies)	<ul style="list-style-type: none"> Lokesh Defence Systems Private Limited Allen Reinforced Plastics Private Limited 	<ul style="list-style-type: none"> ALU Fluoride Ltd Suryalata Spinning Mills Limited 	<ul style="list-style-type: none"> Dart Manufacturing India Private Limited
Membership/ Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	Member of Audit Committee in ALU fluoride Ltd	NIL
Listed entities from which the person has resigned in the past three years	NA	<ul style="list-style-type: none"> Rainbow Children's Medicare Limited 	NA
Number of Board Meeting attended	7	Not Applicable	6
Inter-se Relationship between Directors, KMP and their relatives	Mr. Mullapudi Srikrishna is the son of Mr. Mullapudi Lokeswara Rao, Managing Director and brother of Mr. Mullapudi Srinivas, Whole-time Director of the Company	None	None
No. of Shares held in the Company (singly or jointly as first holder)	19,20,180	0	0
Last drawn remuneration	Disclosed in the explanatory statement	The Company is only paying sitting fees to the Independent Directors as per the limits mentioned under the Companies Act, 2013.	The Company is only paying sitting fees to the Independent Directors as per the limits mentioned under the Companies Act, 2013.
the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA	Financial, Regulatory / legal & Risk Management, Corporate Governance.	Industry Knowledge & Experience, Operations and Process Optimization

Particulars	Mr. K. Krishna Swamy
Age / DOB	83 years (DOB: December 25, 1940)
Brief resume of the Director including nature of expertise in specific functional areas	Mr. K. Krishna Swamy has over 46 years of extensive experience in the design of various machine tools. He started his career with HMT in the year 1964 and after a tenure across its divisions, became the Chief Engineer incharge of its design department from 1978 to 1983. He has designed several notable machines, including Rotary Indexing Machines, Linear Transfer Machines, Line Boring Machines. Mr. Krishna Swamy is currently associated with the Company as a non-executive director, where his experience and expertise are crucial for the growth & development of new talent in the company design department.
Date of First appointment on the Board	July 28, 1995
Directorship held in other companies (excluding foreign companies & section 8 companies)	NIL
Membership/ Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL

Particulars	Mr. K. Krishna Swamy
Listed entities from which the person has resigned in the past three years	NIL
Number of Board Meeting attended	3
Inter-se Relationship between Directors, KMP and their relatives	None
No. of Shares held in the Company (singly or jointly as first holder)	12,000
the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA

Place: Hyderabad

Date: August 14, 2024

Registered Office:

B-29, EEIE, Stage- II, Balanagar, Hyderabad-500037, Telangana

By Order of the Board
For **LOKESH MACHINES LIMITED**

Sd/-

Gurprit Singh

Company Secretary

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Tuesday, September 24, 2024, at 09:00 A.M. and ends on Thursday, September 26, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 20, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 20, 2024.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	<ol style="list-style-type: none"> If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Please contact NSDL helpdesk by sending a request mail to: evoting@nsdl.com or call at toll free no.: 022 - 48867000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ldreddy2016@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request Mr. Swapneel Puppala at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cosecy@lokeshmachines.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cosecy@lokeshmachines.com. If you are Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

REGISTRATION OF E-MAIL ADDRESS BY SHAREHOLDERS WITH THE RTA & DETAILS FOR OBTAINING/ DOWNLOADING ELECTRONIC COPY OF ANNUAL REPORT AND AGM NOTICE.

In terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of AGM and e-Voting instructions only in electronic form to the registered e-mail addresses of the Shareholders. Therefore, those Shareholders who have not yet registered their e-mail address are requested to get their e-mail address registered by following the procedure given below:

1. Those Shareholders who have registered/not registered their e-mail address and mobile number including address and bank details may please contact and validate/update their details with their Depository Participant in case of shares held in electronic form and with the Company's Registrar and Transfer Agent, M/s. Kfin Technologies Ltd. in case the shares are held in physical form.
2. Shareholders who have not registered their E-mail address and in consequence thereof, the Annual Report, Notice of AGM and e-voting instructions could not be served, may temporarily provide their e-mail address and mobile number to the Company's Registrar and Transfer Agent, M/s. Kfin Technologies Ltd. by writing to the e-mail id anandan.k@kfintech.com for sending the soft copy of the Annual Report, Notice of

AGM and e-voting instructions along with the User ID and password. In case of any queries, Shareholders may write to anandan.k@kfintech.com or cosecy@lokeshmachines.com.

3. Shareholders may also visit the website of the Company www.lokeshmachines.com for downloading the Annual Report and Notice of the AGM.
4. Alternatively, Shareholders may send an e-mail request at the e-mail id anandan.k@kfintech.com/cosecy@lokeshmachines.com along with scanned copy of the signed request letter providing the e-mail address, mobile number, self-attested PAN copy and Client Master copy, in case of electronic folio and copy of share certificates, in case of physical folio for sending electronically the Annual Report, Notice of AGM and the e-voting instructions.
5. Alternatively, member may send an e-mail request to evoting@nsdl.com for obtaining User ID and Password by providing the details mentioned above.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be

displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their PAN, Name, demat account number/ folio number, email id and mobile number at cosecy@lokeshmachines.com at least 10 days in advance before the start of the meeting i.e., by September 17, 2024, by 5.00 P.M. (IST). The same will be replied by the Company suitably. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting

General Guidelines for shareholders:

1. The Company has appointed Mr. L.D. Reddy, Practicing Company Secretary, Hyderabad (M. No.13104, CP No. 3752) as the Scrutinizer for conducting the E-voting process in a fair and transparent manner.
2. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail ldreddy2016@gmail.com with a copy marked to evoting@nsdl.com
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote

e-Voting or casting vote through e-Voting system during the meeting.

5. In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at toll free no.: 1800 1020 990 and 1800 22 44 30
6. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized in this regard, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
7. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.lokeshmachines.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of results by the Chairman or a person authorized by him. There sults shall also be immediately forwarded to BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.
8. Pursuant to the Circulars issued by MCA and SEBI, owing to the difficulties involved in dispatching of

physical copies of the Notice of the AGM and the Annual Report for the year 2023-24, the said documents are being sent only by email to the Members.

Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report for the year 2023-24 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below: -

- a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAAR) supporting the registered address of the Member, by email to the Company's email address at cosecy@lokeshmachines.com.
- b) For Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

By Order of the Board

Place: Hyderabad

For **LOKESH MACHINES LIMITED**

Date: August 14, 2024

Registered Office:

B-29, EEIE, Stage- II, Balanagar,
Hyderabad-500037, Telangana

Sd/-

Gurprit Singh

Company Secretary

The Driving Force of Indian Auto Industry



Corporate Office

Lokesh Machines Limited
B-29, EEIE Stage- II, Balanagar
Hyderabad - 500 037,
Telangana, India