



**Lokesh  
Machines Limited**



Regd. Office :  
B-29, EEIE Stage II, Balanagar,  
Hyderabad - 500 037. T.S. INDIA.  
Phones : +91-40-23079310, 11, 12, 13  
Fax : +91-40-23078274  
e-mail : info@lokeshmachines.com  
URL : www.lokeshmachines.com  
CIN : L29219TG1983PLC004319

04<sup>th</sup> September, 2021

<b>To, Bombay Stock Exchange Limited Department of Corporate Services Floor 25, PJ Towers, Dalal Street Mumbai-400001 Scrip Code:532740</b>	<b>To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Company Code: LOKESHMACH</b>
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Dear Sir/Madam,

**Sub: Submission of Notice of 37<sup>th</sup> Annual General Meeting (AGM) of the Company pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

This is with reference to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby enclosing Notice of 37<sup>th</sup> Annual General Meeting (AGM) of the Company scheduled to be held on **Tuesday, 28<sup>th</sup> September, 2021 at 11:00 A.M. (IST)** through Video conferencing (“VC”) or other Audio-visual means (“OAVM”).

The Notice of the 37<sup>th</sup> Annual General Meeting and Annual Report for the financial year 2020-21 will be sent to all shareholders whose email IDs are registered with the Company/Depositories and will also be made available on the Company's website at <https://www.lokeshmachines.com> in due course.

Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books will remain closed from Wednesday, 22<sup>nd</sup> September 2021 to Tuesday, 28<sup>th</sup> September 2021 (both days inclusive) for the purpose of Annual General Meeting.

This is for your information and record.

For Lokesh Machines Limited



**Gurprit Singh**  
Company Secretary & Compliance Officer

Encl: a/a

**37<sup>th</sup> Annual General Meeting****NOTICE**

**NOTICE** is hereby given that the Thirty Seventh Annual General Meeting of the Members of **Lokesh Machines Limited** will be held on Tuesday, the 28th day of September, 2021 at 11:00 A.M. through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS:**

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the financial Year ended March 31st, 2021 together with the report of the Board of Directors’ and the Auditors’ thereon.**
2. **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. M. 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 from time to time, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) as amended from time to time, the Article of Association of the Company, as per the recommendation of the Nomination & Remuneration Committee, as approved by the board 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. M. Lokeswara Rao (DIN: 00989447) as the Managing Director of the Company for a period of 3 years with effect from 01st October, 2021 to 30th September, 2024 on the following terms and conditions:

1. Period of re-appointment: 3 Years from 01st October, 2021 to 30th September, 2024;
2. Consolidated remuneration of Rs. 100,000/- (Rupees One 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. M. 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. M.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 Companies Act, 2013 Mr. M. 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 and / or Company Secretary 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. B. Kishore Babu (DIN: 00840630) as a 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 from time to time, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) as amended from time to time, Articles of Association of the Company, as per the recommendations of Nomination & Remuneration Committee, as approved by the 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. B. Kishore Babu (DIN: 00840630) as Whole-time Director of the Company for a period of 3 years with effect from 01st October, 2021 to 30th September, 2024 on the following terms and conditions:

1. Period of re-appointment: 3 Years from 1st October, 2021 to 30th September, 2024;
2. Consolidated remuneration of Rs. 450,000/- (Rupees Four Lakh Fifty Thousand 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. B. 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** the Board of Directors and / or Company Secretary 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. M. Srinivas (DIN: 00917565) as a 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 from time to time, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“the Listing Regulations”) as amended from time to time, Articles of Association of the Company, as per the recommendations of Nomination & Remuneration Committee, as approved by the 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. M. Srinivas (DIN: 00917565) as Whole-time Director of the Company for a period of 3 years with effect from 01st October, 2021 to 30th September, 2024 on the following terms and conditions;

1. Period of re-appointment: 3 Years from 1st October, 2021 to 30th September, 2024;
2. Consolidated remuneration of Rs. 650,000/- (Rupees Six Lakh Fifty Thousand 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. M. 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** the Board of Directors and / or Company Secretary 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. M. Srikrishna (DIN: 00841388) as a 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 from time to time, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“the Listing Regulations”) as amended from time to time, Articles of Association of the Company, as per the recommendations of Nomination & Remuneration Committee, as approved by the 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. M. Srikrishna (DIN: 00841388) as Whole-time Director of the Company for a period of 3 years with effect from 01st October, 2021 to 30th September, 2024 on the following terms and conditions:

1. Period of re-appointment: 3 Years from 01st October, 2021 to 30th September, 2024;
2. Consolidated remuneration of Rs. 650,000/- (Rupees Six Lakh Fifty Thousand 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. M. 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** the Board of Directors and / or Company Secretary 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. 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) (Amendment) Regulations, 2018, 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”.

#### 8. **Alteration in Object Clause of the Memorandum of Association 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 13 of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, of the Act read with rules made there under and as amended from time to time and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time, consent of the members of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies, Hyderabad, Telangana to append following sub clause (5) after sub clause (4) of clause III (A) of the Memorandum of Association of Company:

5. To design, develop, assemble, produce, manufacture, fabricate, modify, repair, service, sell, buy, import, export and to act as stockists, distributor, license, licensor and otherwise deal in all kinds, shapes, sizes, capacities, varieties and specifications of Components sub-components, Assemble Sub-Assemble, Spares of Arms & Armaments, Ammunition, Weapons, Missiles, Aircrafts, Drones, Ships and Railways used for defense, internal security and personal security & covered under The ARMS Act, 1959 and to do all such incidental acts and things as may be necessary for the attainment of aforesaid objects whether in or outside India.

**RESOLVED FURTHER THAT** the Board of Directors and / or Company Secretary be and is hereby authorized to take all the requisite, incidental, consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required for giving effect to this resolution.

#### 9. **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 Rs. 50,000/- (Rupees Fifty Thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, to M/s DZR & Co, Cost Accountants to audit the cost records maintained by the Company for the financial year ending March 31st, 2022.”

By Order of the Board  
**For LOKESH MACHINES LIMITED**

Place: Hyderabad  
Date: September 02, 2021

Sd/-  
**Gurprit Singh**  
Company Secretary

**Registered Office:**  
B-29, EEIE, STAGE- II, Balanagar,  
Hyderabad-500 037, Telangana

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## NOTES

- 1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 Special Business i.e. item 3 to 9, 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 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) The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with by Companies (Amendment) Act, 2017 dated 7th May, 2018 issued by Ministry of Corporate Affairs. Accordingly no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on 28th September, 2017.
- 3) In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 (read with previous circulars) in this regard and Securities and Exchange Board of India ("SEBI") vide circular dated January 15, 2021 (read with previous circulars) in this regard permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM, without the physical presence of the members at a common venue. The deemed venue for the 37th AGM shall be the Registered Office of the Company. The Company has engaged National Securities Depository Limited (NSDL) for facilitating voting through electronic means i.e., remote e-voting and voting at the AGM.
- 4) Pursuant to the provisions of the Act, 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 this AGM is being held pursuant to the aforesaid Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 5) Corporate members intending to send their authorized representatives to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting are requested to send to the Company a certified copy of the board resolution authorizing their representative to the registered email address of the Company.
- 6) The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 7) The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to the members on "First come First served" basis. This will not include large Shareholders (Shareholders holding 2% or more of the total number of shares of the Company as on the cut-off date as defined), Promoters, Directors, Key Managerial Personnel, Institutional Investors, 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.
- 8) In compliance with the aforementioned MCA & SEBI Circulars, the Notice of the 37th AGM along with the Annual Report for the year 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report for the year 2020-21 and other documents will also be available on the Company's website [www.lokeshmachines.com](http://www.lokeshmachines.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock

Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Other than the above, no physical/hard copies of the Notice & Annual Report will be sent to shareholders.

- 9) Register of Directors and key managerial personnel and their shareholding maintained under section 170 of the companies Act, 2013 will be available for inspection by the members at the meeting.
- 10) Register of contracts or arrangements in which directors and Key managerial personnel are interested Maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the registered office of the Company.
- 11) 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](http://www.lokeshmachines.com). The concerned members/investors are advised to visit the web link: <http://iepf.gov.in/iepfa/refund.html> or contact our RTA M/s Kfin Technologies Private Limited for lodging claims for refund of shares and /or dividend from the IEPF Authority.
- 12) 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 22nd September, 2021 to 28th September, 2021 (both days inclusive).
- 13) As per the provisions of Section 72 of the Act, facility for making nominations is now available to Individuals holding shares in the Company, Members holding shares in physical form may obtain the Nomination Form from the RTA of the Company. Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.
- 14) 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.
- 15) 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.
- 16) 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 Technology Private Limited,**

Karvy Selenium Tower B, Plot No.31-32,

Gachibowli , Financial District,

Nanakramguda Serilingampally,

Hyderabad - 500 032,

Phone : 18003094001, Email : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

- 17) 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.
- 18) Pursuant to SEBI notification dated 8th June, 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](mailto:cosecy@lokeshmachines.com) or RTA for any assistance in the process of physical to demat shares.

- 19) Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
- 20) The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- 21) The Company's Equity shares are listed at Bombay Stock Exchange Ltd and National Stock Exchange, Mumbai and the company has paid the Listing Fees to the said Stock Exchanges.
- 22) Electronic copy of the Annual Report and the Notice of the 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.
- 23) 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 Tuesday, September 21, 2021 through email on cosecy@lokeshmachines.com. The same will be replied by the Company suitably.
- 24) 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. We request you to register / update your email address with your depository participant / RTA to ensure that all documents reach you on your preferred email.
- 25) Since the AGM will be held through VC / OAVM, the route map is not annexed in this notice.

**THE INSTRUCTIONS FOR REMOTE E-VOTING AND VOTING AT THE MEETING ARE AS UNDER:**

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services. 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 voting at the meeting will be provided by NSDL.
2. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. In terms of aforesaid SEBI Circular 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.



3. The remote e-voting period begins on Saturday, 25th September, 2021 at 9:00 A.M. (IST) and ends on 27th September, 2021 at 5:00 P.M. (IST). 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. 21st September 2021, 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 21st September 2021. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently

#### 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 for Individual shareholders holding securities in demat mode. 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 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"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ 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.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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</li> </ol>

	<p>and you will be redirected to e-Voting website of NSDL for casting our vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>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</p>

**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	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting 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?**

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. 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***

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5. Password details for shareholders other than Individual shareholders are given below:
    - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
    - b) 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.
    - c) How to retrieve your 'initial password'?
      - (i) 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'.
      - (ii) 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:
    - a) 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](http://www.evoting.nsdl.com).
    - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) 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 on NSDL e-Voting system.**

How to cast your vote electronically on NSDL e-Voting system?

1. 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
  2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period Now you are ready for e-Voting as the Voting page opens.
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3. 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.
4. Upon confirmation, the message “Vote cast successfully” will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. 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.co.in. 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.
2. 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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Swapneel Puppala at evoting@nsdl.co.in/swapneelp@nsdl.co.in

#### **Process for those shareholders whose email ids are not registered with the depositories/ company 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 an 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 for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in 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;**

On account of the continuing threat posed by COVID -19 pandemic and 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 Pvt. 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 Pvt. Ltd. by writing to the e-mail id [anandan.k@kfintech.com](mailto:anandan.k@kfintech.com) for sending the softcopy 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](mailto:anandan.k@kfintech.com) or [cosecy@lokeshmachines.com](mailto:cosecy@lokeshmachines.com).
3. Shareholders may also visit the website of the Company [www.lokeshmachines.com](http://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](mailto:anandan.k@kfintech.com)/[cosecy@lokeshmachines.com](mailto: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.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving 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 cast 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 at 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 TO THE MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-Voting credentials provided in the e-mail received from the Company / NSDL. The link for VC/OAVM will be available in shareholder/ member's login where EVEN of the 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
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 Laptops 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 name, demat account number/ folio number, email id, mobile number at [cosecy@lokeshmachines.com](mailto:cosecy@lokeshmachines.com) at least 5 days in advance before the start of the meeting i.e., by 23rd September 2021 by 3.30 P.M. (IST). The same will be replied by the Company suitably.
6. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
7. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail address at [cosecy@lokeshmachines.com](mailto:cosecy@lokeshmachines.com) at least 5 days in advance before the start of the meeting. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

**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](mailto:ldreddy2016@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
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](http://www.lokeshmachines.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results by the Chairman or a person authorized by him. The results 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 2020-21, 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 2020-21 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 [cosecy@lokeshmachines.com](mailto: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  
**For LOKESH MACHINES LIMITED**

Place: Hyderabad  
Date: September 02, 2021

Sd/-  
**Gurprit Singh**  
Company Secretary



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## Explanatory Statement

### Pursuant to Section 102(1) of Companies Act, 2013

**Item # 3**

The Shareholders at the 34th Annual General Meeting of the Company held on 29th September, 2018 had appointed Mr. M. Lokeswara Rao as the Managing Director of the Company for a period of 3 years, starting from 01st October, 2018 and ending on 30th September, 2021, on the terms and conditions of appointment contained in the said resolution.

Based on the recommendation of Nomination & Remuneration committee, the Board has vide resolution passed on 27th July, 2021 approved the re-appointment of Mr. M. Lokeswara Rao as the Managing Director of the Company for a period of 3 years effective from 01st October, 2021, subject to approval of the members.

The approval of the members is being sought for the re-appointment of Mr. M. Lokeswara Rao as Managing Director of the Company for a period of 3 years effective from 01st October, 2021.

Mr. M. Lokeswara Rao aged about 76 years founded Lokesh Machines Limited, is a technocrat with more than 50 years vast experience in the machine tool industry. He has 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 of the machine tool industry. The insights into the machine tool industry supplemented with the entrepreneurial abilities prompted Mr. Rao to start LML. Mr. Rao with his sheer hard work coupled with managerial abilities built a strong team and created good facilities.

Mr. 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 President of the association. He was also the Vice President of the Auto Component Association in Hyderabad.

He is Managing Director of the Company. He also holds directorship in M.L.R. Motors Limited, MLR Auto Limited and M.L.R. Foundry and Forge Private Limited.

Mr. M. Lokeswara Rao holds 496,920 shares in the Company.

Except Mr. M. Lokeswara Rao, Mr. M. Srinivas, Mr. M. Srikrishna & Ms. M. Likhitha none of the directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the said resolution.

Board recommends the resolution for your approval as a Special Resolution.

**STATEMENT AS REQUIRED UNDER SECTION II, PART II OF THE SCHEDULE V OF THE COMPANIES ACT, 2013 WITH REFERENCE TO THE RESOLUTION AT ITEM NO. 03 OF THE NOTICE FOR THE THIRTY SEVENTH ANNUAL GENERAL MEETING OF LOKESH MACHINES LIMITED.**

**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, Jigs & Fixtures, Auto components and Precision Engineering Components and Sub-Assemblies.

**2. Date or expected date of commencement of commercial production:**

The Company is already in existence and is in operation since 17th December, 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:

Particulars	(In Lakhs)	
	(2020-21)	(2019-20)
Net Sales	15,021.45	12,584.07
Other Income	132.17	42.89
<b>Total Income</b>	<b>15,153.62</b>	<b>12,626.96</b>
Total Expenses	14,611.56	13,439.71
<b>Profit before Exceptional items &amp; Taxes</b>	<b>542.06</b>	<b>(812.75)</b>
Tax Expenses		
Less: (i) Current Tax	90.50	-
(ii) Deferred Tax	55.41	(344.33)
<b>Profits/ (Loss) after Taxes</b>	<b>396.15</b>	<b>(468.42)</b>
<b>Earnings Per Equity Share:</b>		
<b>Basic</b>	<b>2.21</b>	<b>(2.62)</b>
<b>Diluted</b>	<b>2.21</b>	<b>(2.62)</b>

## 5. Foreign investments or collaborators, if any:

Not Applicable.

## 6. Export performance and net foreign exchange collaborations

Foreign Exchange Earnings and Outgo

- (i) Foreign Exchange Earnings : Rs. 983.14 Lakhs
- (ii) Foreign Exchange Outgo:
- a) For Capital Goods : NIL
- b) For Components on FOB basis : Rs. 336.59 lakhs
- c) Towards Foreign Travel : NIL

**II. INFORMATION ABOUT THE APPOINTEE**

## 1. Background details:

Mr. M. Lokeswara Rao aged about 76 years founded Lokesh Machines Limited, is a technocrat with more than 50 years of vast experience in the machine tool industry. He has 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 of the machine tool industry. The insights into the machine tool industry supplemented with the entrepreneurial abilities prompted Mr. Rao to start LML. Mr. Rao with his sheer hard work coupled with managerial abilities built up a strong team and created good facilities

## 2. Past remuneration

S. No.	For the year ended	Remuneration per month
1.	March 31st 2021	500,000
2.	March 31st 2020	500,000
3.	March 31st 2019	500,000

## 3. Recognition or awards

Mr. 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.

## 4. Job profile and his suitability:

Mr. 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 tool 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 appoint him as the Managing Director of the Company.

## 5. Remuneration proposed

- a) Consolidated remuneration of Rs. 100,000/- (Rupees One Lakh Only) per month.
- b) All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company;
- 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;

## 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);

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.

## 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. M. Lokeswara Rao holds 496,920 shares in the Company. Mr. M. Lokeswara Rao is related with Mr. M. Srinivas, Mr. M. Srikrishna & Ms. M. Likhitha.

**III. OTHER INFORMATION**

## 1. Reasons of loss or inadequate profits:

The Company has made a reasonable profit during the last financial year ended on 31st March, 2021. LML total revenue increased to Rs. 15,021.45 Lakhs as against Rs. 12,584.07 Lakhs during the previous year. Profit after tax for the year ended on 31st March, 2021 was Rs. 396.15 Lakhs as against loss of Rs. 468.42 Lakhs during the previous year.

## 2. Steps taken or proposed to be taken for improvement:

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.

## 3. Expected increase in productivity and profits in measurable terms:

Barring unforeseen circumstances, LML expects to close the current financial year with improved sales and profitability.

**IV. DISCLOSURES**

## 1. Remuneration package of the managerial person: Same is fully described in the respective Resolution and/ or Explanatory Statement;

2. Disclosures in the Board of Directors' report under the heading 'Corporate Governance' has been attached to the Annual Report in respect of the:
  - I. All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;
  - II. Details of fixed component and performance linked incentives along with the performance criteria;
  - III. Service contracts, notice period, severance fees;
  - IV. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Board recommends the resolution at Item # 3 in relation to the payment of remuneration to Mr. M. Lokeswara Rao as Managing Director of the Company for the approval by the shareholders by way of Special Resolution.

#### Item # 4

The Shareholders at the 34th Annual General Meeting of the Company held on 29th September, 2018 had appointed Mr. B. Kishore Babu as the Whole-time Director of the Company for a period of 3 years, starting from 01st October, 2018 and ending on 30th September, 2021, on the terms and conditions of appointment contained in the said resolution.

Based on the recommendation of Nomination & Remuneration committee, the Board has vide resolution passed on 27th July, 2021 approved the re-appointment of Mr. B. Kishore Babu as the Whole-time Director of the Company for a period of 3 years effective from 01st October, 2021, subject to approval of members.

Mr. B Kishore Babu is an Engineer with more than 43 years' experience in the field of Machine Tool Industry. He has started his career in Hindustan Machine Tools (HMT) as Trainee Engineer and later joined Lokesh Machines Ltd. as a Promoter; 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 20 years. As an Executive Director of the Company, he is the operational head of SPM division.

He is the Whole-time Director of the Company and has also been the member of the Stakeholders Relationship Committee of the Board. He also holds directorship in M.L.R. Motors Limited, MLR Auto Limited and M.L.R. Foundry and Forge Private Limited.

Mr. B Kishore Babu holds 1,087,009 shares in the Company. Except Mr. B Kishore Babu no Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the said resolution.

Board recommends the resolution for your approval as a Special Resolution.

#### **STATEMENT AS REQUIRED UNDER SECTION II, PART II OF THE SCHEDULE V OF THE COMPANIES ACT, 2013 WITH REFERENCE TO THE RESOLUTION AT ITEM NO. 04 OF THE NOTICE FOR THE THIRTY SEVENTH ANNUAL GENERAL MEETING OF LOKESH MACHINES LIMITED**

##### **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, Jigs & Fixtures, Auto components and Precision Engineering Components and Sub-Assemblies.

##### 2. Date or expected date of commencement of commercial production:

The Company is already in existence and is in operation since 17th December, 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:

Particulars	(In Lakhs)	
	(2020-21)	(2019-20)
Net Sales	15,021.45	12,584.07
Other Income	132.17	42.89
<b>Total Income</b>	<b>15,153.62</b>	<b>12,626.96</b>
Total Expenses	14,611.56	13,439.71
<b>Profit before Exceptional items &amp; Taxes</b>	<b>542.06</b>	<b>(812.75)</b>
Tax Expenses		
Less: (i) Current Tax	90.50	-
(ii) Deferred Tax	55.41	(344.33)
<b>Profits/ (Loss) after Taxes</b>	<b>396.15</b>	<b>(468.42)</b>
<b>Earnings Per Equity Share:</b>		
<b>Basic</b>	<b>2.21</b>	<b>(2.62)</b>
<b>Diluted</b>	<b>2.21</b>	<b>(2.62)</b>

5. Foreign investments or collaborators, if any:

Not Applicable.

6. Export performance and net foreign exchange collaborations

Foreign Exchange Earnings and Outgo

(i) Foreign Exchange Earnings : Rs. 983.14 Lakhs

(ii) Foreign Exchange Outgo:

a) For Capital Goods : NIL

b) For Components on FOB basis : Rs. 336.59 lakhs

c) Towards Foreign Travel : NIL

## II. INFORMATION ABOUT THE APPOINTEE

1. Background details:

Mr. B. Kishore Babu aged about 65 years with more than 40 years' experience in the field of Machine Tool Industry.

He has started his career in Hindustan Machine Tools (HMT) as Trainee Engineer and later joined Lokesh Machines Ltd. as a Promoter.

2. Past remuneration

S. No.	For the year ended	Remuneration per month
1.	March 31st 2021	450,000
2.	March 31st 2020	450,000
3.	March 31st 2019	325,000

## 3. Job profile and his suitability:

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. As Executive Director, he is the operational head for SPM divisions for the past 20 years. LML will benefit from his capabilities and therefore the Board wishes to re-appoint him as the Whole-time Director of the Company.

## 4. Remuneration proposed

- a) Consolidated remuneration of Rs. 450,000/- (Rupees Four Lakh Fifty Thousand Only) per month.
- b) All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company;
- 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;

## 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);

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.

## 6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. B Kishore Babu holds 1,087,009 shares in the Company. Except Mr. B Kishore Babu no Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the said resolution.

**III. OTHER INFORMATION**

## 1. Reasons of loss or inadequate profits:

The Company has made a reasonable profit during the last financial year ended on 31st March, 2021. LML total Revenue increased to Rs. 15,021.45 Lakhs as against Rs. 12,584.07 Lakhs during the previous year. Profit after tax for the year ended on 31st March, 2021 was Rs. 396.15 Lakhs as against loss of Rs. 468.42 Lakhs during the previous year.

## 2. Steps taken or proposed to be taken for improvement:

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.

## 3. Expected increase in productivity and profits in measurable terms:

Barring unforeseen circumstances, LML expects to close the current financial year with improved sales and profitability.

**IV. DISCLOSURES**

1. Remuneration package of the managerial person: Same is fully described in the respective Resolution and/ or Explanatory Statement;
2. Disclosures in the Board of Directors' report under the heading 'Corporate Governance' has been attached to the Annual Report in respect of the:

- I. All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;
- II. Details of fixed component and performance linked incentives along with the performance criteria;
- III. Service contracts, notice period, severance fees;
- IV. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable

The Board recommends the resolution at Item # 4 in relation to the payment of remuneration to Mr. B Kishore Babu as Whole-time Director of the Company for the approval by the shareholders by way of Special Resolution.

#### Item # 5

The Shareholders at the 34th Annual General Meeting of the Company held on 29th September, 2018 had appointed Mr. M. Srinivas as the Whole-time Director of the Company for a period of 3 years, starting from 01st October, 2018 and ending on 30th September, 2021, on the terms and conditions of appointment contained in the said resolution.

Based on the recommendation of Nomination & Remuneration committee, the Board has vide resolution passed on 27th July, 2021 approved the re-appointment of Mr. M. Srinivas as the Whole-time Director of the Company for a period of 3 years effective from 01st October, 2021, subject to approval of the members.

Mr. M. Srinivas has more than 25 years experience. He is a Director and has been with LML for the past 15 years since completion of his M.S. in Industrial Engineering at New Jersey Institute of Technology, New Jersey, USA. He has undergone training initially in the designs and manufacture of SPMs.

He has been the Whole-time Director of the Company and has also been member of the Audit Committee of the Board. He holds directorship in M.L.R. Motors Limited.

Mr. M. Srinivas holds 1,921,615 shares in the Company.

Mr. M. Srinivas is related with Mr. M. Lokeswara Rao, Mr. M. Srikrishna & Ms. M. Likhitha.

Board recommends the resolution for your approval as a Special Resolution.

#### **STATEMENT AS REQUIRED UNDER SECTION II, PART II OF THE SCHEDULE V OF THE COMPANIES ACT, 2013 WITH REFERENCE TO THE RESOLUTION AT ITEM NO. 05 OF THE NOTICE FOR THE THIRTY SEVENTH ANNUAL GENERAL MEETING OF LOKESH MACHINES LIMITED.**

##### **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, Jigs & Fixtures, Auto components and Precision Engineering Components and Sub-Assemblies.

###### 2. Date or expected date of commencement of commercial production:

The Company is already in existence and is in operation since 17th December, 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	(2020-21)	(2019-20)
Net Sales	15,021.45	12,584.07
Other Income	132.17	42.89
<b>Total Income</b>	<b>15,153.62</b>	<b>12,626.96</b>
Total Expenses	14,611.56	13,439.71
<b>Profit before Exceptional items &amp; Taxes</b>	<b>542.06</b>	<b>(812.75)</b>
Tax Expenses		
Less: (i) Current Tax	90.50	-
(ii) Deferred Tax	55.41	(344.33)
<b>Profits/ (Loss) after Taxes</b>	<b>396.15</b>	<b>(468.42)</b>
<b>Earnings Per Equity Share:</b>		
<b>Basic</b>	<b>2.21</b>	<b>(2.62)</b>
<b>Diluted</b>	<b>2.21</b>	<b>(2.62)</b>

## 5. Foreign investments or collaborators, if any:

Not Applicable.

## 6. Export performance and net foreign exchange collaborations

Foreign Exchange Earnings and Outgo

(i) Foreign Exchange Earnings : Rs. 983.14 Lakhs

(ii) Foreign Exchange Outgo:

a) For Capital Goods : NIL

b) For Components on FOB basis : Rs. 336.59 lakhs

c) Towards Foreign Travel : NIL

**II. INFORMATION ABOUT THE APPOINTEE**

## 1. Background details:

Mr. M. Srinivas aged about 53 years has more than 25 years' experience of working in the Machine tool industry. He is a Director overseeing the operations of the Auto Components Division and also engaged in the Administrative and Strategic initiatives of the Machine Tool Division. He has been with LML for the past 15 years since completion of his M.S. in Industrial Engineering at New Jersey Institute of Technology, New Jersey, USA. He has also undergone training initially in the designs and manufacture of SPMs.

## 2. Past remuneration

S. No.	For the year ended	Remuneration per month
1.	March 31st 2021	450,000
2.	March 31st 2020	450,000
3.	March 31st 2019	325,000



## 3. Job profile and his suitability:

He is a Director & has been with LML for the past 15 years. LML will benefit from his capabilities and therefore the Board wishes to re-appoint him as the Whole-time Director of the Company.

## 4. Remuneration proposed

- a) Consolidated remuneration of Rs. 650,000/- (Rupees Six Lakh Fifty Thousand Only) per month.
- b) All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company;
- 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;

## 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);

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.

## 6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. M. Srinivas holds 1,921,615 shares in the Company. Except Mr. M. Srinivas, Mr. M. Lokeswara Rao, Mr. M. Srikrishna & Ms. M. Likhitha none of the directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the said resolution.

**III. OTHER INFORMATION**

## 1. Reasons of loss or inadequate profits:

The Company has made a reasonable profit during the last financial year ended on 31st March, 2021. LML total revenue increased to Rs. 15,021.45 Lakhs as against Rs. 12,584.07 Lakhs during the previous year. Profit after tax for the year ended on 31st March, 2021 was Rs. 396.15 Lakhs as against loss of Rs. 468.42 Lakhs during the previous year.

## 2. Steps taken or proposed to be taken for improvement:

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.

## 3. Expected increase in productivity and profits in measurable terms:

Barring unforeseen circumstances, LML expects to close the current financial year with improved sales and profitability.

**IV. DISCLOSURES**

1. Remuneration package of the managerial person: Same is fully described in the respective Resolution and/ or Explanatory Statement;
2. Disclosures in the Board of Directors' report under the heading 'Corporate Governance' has been attached to the Annual Report in respect of the:
  - I. All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;

- II. Details of fixed component and performance linked incentives along with the performance criteria;
- III. Service contracts, notice period, severance fees;
- IV. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Board recommends the resolution at Item # 5 in relation to the payment of remuneration to Mr. M. Srinivas as Whole-time Director of the Company for the approval by the shareholders by way of Special Resolution.

#### Item # 6

The Shareholders at the 34th Annual General Meeting of the Company held on 29th September, 2018 had appointed Mr. M. Srikrishna as the Whole-time Director of the Company for a period of 3 years, starting from 01st October, 2018 and ending on 30th September, 2021, on the terms and conditions of appointment contained in the said resolution.

Based on the recommendation of Nomination & Remuneration committee, the Board has vide resolution passed on 27th July, 2021 approved the re-appointment of Mr. M. Srikrishna as the Whole-time Director of the Company for a period of 3 years effective from 01st October, 2021, subject to approval of members.

Mr. M. Srikrishna has more 25 years experience in the field of Mechanical Engineering and has been with Lokesh Machines Limited as Director for the past 15 years since completion of Bachelor of Engineering at Osmania University and has undergone training initially in the designs and manufacture of General Purpose Machines. He is presently heading the Computerized Numerical Control (CNC) Machines Division of Lokesh Machines Limited.

He has been the Whole-time Director of the Company and has also been member of the Stakeholders Relationship Committee of the Board.

Mr. M. Srikrishna holds 1,851,488 shares in the Company.

Mr. M. Srikrishna is related with Mr. M. Srinivas, Mr. M. Lokeswara Rao & Ms. M. Likhitha.

Board recommends the resolution for your approval as a Special Resolution.

#### **STATEMENT AS REQUIRED UNDER SECTION II, PART II OF THE SCHEDULE V OF THE COMPANIES ACT, 2013 WITH REFERENCE TO THE RESOLUTION AT ITEM NO. 06 OF THE NOTICE FOR THE THIRTY SEVENTH ANNUAL GENERAL MEETING OF LOKESH MACHINES LIMITED.**

##### **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, Jigs & Fixtures, Auto components and Precision Engineering Components and Sub-Assemblies.

###### 2. Date or expected date of commencement of commercial production:

The Company is already in existence and is in operation since 17th December, 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	(2020-21)	(2019-20)
Net Sales	15,021.45	12,584.07
Other Income	132.17	42.89
<b>Total Income</b>	<b>15,153.62</b>	<b>12,626.96</b>
Total Expenses	14,611.56	13,439.71
<b>Profit before Exceptional items &amp; Taxes</b>	<b>542.06</b>	<b>(812.75)</b>
Tax Expenses		
Less: (i) Current Tax	90.50	-
(ii) Deferred Tax	55.41	(344.33)
<b>Profits/ (Loss) after Taxes</b>	<b>396.15</b>	<b>(468.42)</b>
<b>Earnings Per Equity Share:</b>		
<b>Basic</b>	<b>2.21</b>	<b>(2.62)</b>
<b>Diluted</b>	<b>2.21</b>	<b>(2.62)</b>

## 5. Foreign investments or collaborators, if any:

Not Applicable.

## 6. Export performance and net foreign exchange collaborations

Foreign Exchange Earnings and Outgo

- (i) Foreign Exchange Earnings : Rs. 983.14 Lakhs
- (ii) Foreign Exchange Outgo:
- a) For Capital Goods : NIL
- b) For Components on FOB basis : Rs. 336.59 lakhs
- c) Towards Foreign Travel : NIL

**II. INFORMATION ABOUT THE APPOINTEE**

## 1. Background details:

Mr. M. Srikrishna has more 25 years' experience in the field of Mechanical Engineering and has been with Lokesh Machines Limited as director for the past 15 years since completion of Bachelor of Engineering at Osmania University and has undergone training initially in the designs and manufacture of General Purpose Machines. He is presently heading the Computerized Numerical Control (CNC) Machines Division of Lokesh Machines Limited.

## 2. Past remuneration

S. No.	For the year ended	Remuneration per month
1.	March 31st 2021	450,000
2.	March 31st 2020	450,000
3.	March 31st 2019	325,000

## 3. Job profile and his suitability :

Mr. M. Srikrishna has more 20 years experience in the field of Mechanical Engineering and has been with Lokesh Machines Limited as director for the past 15 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.

## 4. Remuneration proposed

- a) Consolidated remuneration of Rs. 650,000/- (Rupees Six Lakh Fifty Thousand Only) per month.
- b) All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company;
- 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;

## 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);

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.

## 6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. M. Srikrishna holds 1,851,488 shares in the Company.

Mr. M. Srikrishna is related with Mr. M. Srinivas, Mr. M. Lokeswara Rao & Ms. M. Likhitha.

**III. OTHER INFORMATION**

## 1. Reasons of loss or inadequate profits:

The Company has made a reasonable profit during the last financial year ended 31st March, 2021, LML total revenue increased to Rs. 15,021.45 Lakhs as against Rs. 12,584.07 Lakhs during the previous year. Profit after tax for the year ended on 31st March, 2021 was Rs. 396.15 Lakhs as against loss of Rs. 468.42 Lakhs during the previous year.

The Company is already in existence and is in operation since 17th December, 1983.

## 2. Steps taken or proposed to be taken for improvement:

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.

## 3. Expected increase in productivity and profits in measurable terms:

Barring unforeseen circumstances, LML expects to close the current financial year with improved sales and profitability.

**IV. DISCLOSURES**

1. Remuneration package of the managerial person: Same is fully described in the respective Resolution and/ or Explanatory Statement;
2. Disclosures in the Board of Directors' report under the heading 'Corporate Governance' has been attached to the Annual Report in respect of the:

- I. All elements of remuneration package such as salary, benefits, stock options, pension etc. of all the directors;
- II. Details of fixed component and performance linked incentives along with the performance criteria;
- III. Service contracts, notice period, severance fees;
- IV. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable

The Board recommends the resolution at Item # 6 in relation to the payment of remuneration to Mr. M. Srikrishna as Whole-time Director of the Company for the approval by the shareholders by way of Special Resolution.

#### **Item # 7**

Mr. K. Krishna Swamy age about 80 years was appointed as Non-executive director of the Company. As per the amended SEBI (LODR) Regulations, 2015 which requires special resolution for appointment/continuation of any non-executive director who has attained the age of 75 years or more. Mr. Krishna Swamy has attained the age of 75 years during the term of his appointment. Hence this Special Resolution is placed before the shareholders.

He is working excellently and Board believes his involvement is needed for enhancing the growth of the Company.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No.7 of the Notice for continuation of his appointment.

#### **Item # 8**

Your Board has to consider from time to time proposals for diversification into areas which would be profitable for the Company as part of diversification Plans. For this purpose, the object Clause of the Company, which is presently restricted in scope, requires to be comprehensive so as to cover a wide range of activities to enable your Company to consider embarking upon new projects and activities.

The alteration in the Objects Clause of the Memorandum of Association as set out in the Resolution is to facilitate diversification. This will enable the company to enlarge the area of operations and carry on its business economically and efficiently and the proposed activities can be, under the existing circumstances, conveniently and advantageously combined with the present activities of the company.

The "Main Object" clause of the Memorandum of Association of the Company is being amended with insertion of New Clause III (A) (5). The Board at its meeting held on September 02nd, 2021 has approved alteration of the MOA of the Company and the Board now seeks Members' approval for the same.

Further, a copy of the proposed MOA of the Company would be available for inspection for the Members at the Registered Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution except to the extent of their shareholding, if any, in the Company.

Your Board recommends passing of this resolution for amendment of Memorandum of Association of the Company by way of Special Resolution.

#### **Item # 9**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. DZR & Co., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2022 at a remuneration of Rs 50,000/- as audit fee, and GST as applicable and out of pocket expenses shall be paid on actual.

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. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

None of the Directors/ Key Managerial Personnel's of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out in item No. 9 of the Notice.

The Board recommends the resolution for your approval as an Ordinary Resolution.

**Additional information on Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting Pursuant to Regulation 36(3) of SEBI(Listing Obligations and Disclosure Requirement) Regulation, 2015**

Name	Mr. M. lokeswarara Rao	Mr. B. Kishore Babu	Mr. M. Srinivas	Mr. M. Srikrishna
Date of Birth	11-02-1945	08-06-1956	21-06-1968	31-07-1971
Designation	Managing Director	Whole-time Director	Whole-time Director	Whole-time Director
Date of Appointment	17/12/1983	10/05/2002	01/10/2005	01/10/2005
Educational Qualifications	Diploma in Mechanical Engineering	Engineering Graduate	M.S. in Industrial Engineering from New Jersey Institute of Technology, USA	B. Tech from Osmania University
Areas of Experience	51 years of experience in the Machine Tool industry	38 years of experience in the field of Machine tool	25 years of experience in the field of engineering	25 years of experience in the field of Engineering
Membership or Chairmanship of the Committees held in the Company	NIL	Member of Stakeholder relationship Committee	Member of Audit Committee	Member of Stakeholder relationship Committee
Directorship held in other Companies	M.L.R Motors Ltd, M.L.R. Auto Ltd M.L.R. Foundry and Forge Private Limited	M.L.R Motors Ltd, M.L.R. Auto Ltd, M.L.R. Foundry and Forge Private Limited	M.L.R Motors Ltd	NIL
No. of Shares held in the Company	496,920	10,87,009	1,921,615	1,851,488

By Order of the Board  
For LOKESH MACHINES LIMITED

Place: Hyderabad  
Date: September 02, 2021

Sd/-  
**Gurprit Singh**  
Company Secretary