



Auditor's Report on Quarterly Financial Results & Year to Date Financial Results of LOKESH MACHINES LIMITED Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

To
Board of Directors of **LOKESH MACHINES LIMITED.**

We have audited the accompanying quarterly financial results of **LOKESH MACHINES LIMITED** ("Company") for the quarter ended 31st March, 2018 and the year to date financial results for the period from 1st April, 2017 to 31st March, 2018 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016.

These quarterly financial results as well as the year to date financial results have been prepared on the reviewed financial results up to the end of the third quarter and audited annual Ind AS financial statements respectively, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such Ind AS financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanation given to us these quarterly financial results as well as the year to date financial results:

- i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. in this regard; and





K.S. Rao & Co.

CHARTERED ACCOUNTANTS

- ii) give a true and fair view of the net profit, other comprehensive income and other financial information for the quarter ended 31st March, 2018 as well as the year to date financial results for the period from 1st April, 2017 to 31st March, 2018.

The comparative financial information of the Company for the quarter and year ended 31st March 2017, included in these financial results, are based on the previously published financial results/statements for the said periods prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India audited by predecessor auditor and whose audit report dated 30th May 2017 expressed an unmodified opinion, as adjusted for the differences in the accounting principles adopted by the company on transition to Ind AS, which has been audited by us.

The statement includes the result for the quarter ended 31st March 2018 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the current and previous financial year respectively. Also the figures upto the end of third quarter of the respective financial year had only been reviewed and not subjected to the audit.

Our opinion is not modified in respect of above matter.

Place : Hyderabad
Date : 16.05.2018

for **K.S.RAO & CO.**
Chartered Accountants
Firm's Regn No. 003109S



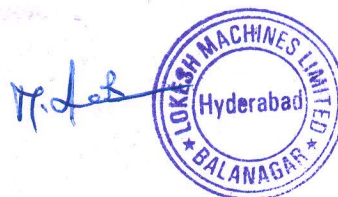
M.N. Prasad
(M.NAGA PRASADU)
Partner
Membership No. 231388

Lokesh Machines Ltd

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

Rs.in Lakhs

SI. No	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.18	31.12.17	31.03.17	31.03.18	31.03.17
		(Audited)	(Un Audited)	(Audited)	(Audited)	(Audited)
1	Income From operations					
	a)Revenue from Operations (Net of excise duty)	5,086.32	4,625.01	4,168.94	17,494.48	13,177.82
	Add : Excise duty	-	-	852.40	782.00	2,957.71
	Revenue from Operations(Gross of excise duty)	5,086.32	4,625.01	5,021.34	18,276.48	16,135.53
	(b) Other Income	35.99	22.76	21.55	84.05	35.18
	Total Income (net) (a+b)	5,122.31	4,647.77	5,042.89	18,360.53	16,170.71
2	Expenses					
	a. Cost of materials consumed	2,761.57	2,637.83	2,237.37	9,317.97	6,818.60
	b. Purchase of stock-in-trade	-	-	-	-	-
	c.Changes in inventories of finished goods, work-in-progress and stock-in-trade	(14.67)	(2.15)	(402.97)	(13.70)	(402.70)
	d. Excise duty	-	-	852.40	782.00	2,957.71
	e. Employee benefits expense	864.76	740.73	876.76	3,047.02	2,782.90
	f.Finance Costs	343.69	341.12	407.19	1,408.88	1,666.12
	g. Depreciation and amortisation expense	229.94	193.67	214.18	817.28	818.11
	h. Other Manufacturing Expenses	817.44	680.08	950.69	2,638.56	2,306.07
	i. Less : Capative consumption	(224.98)	(128.00)	(322.25)	(352.98)	(1,107.25)
	Total expenses	4,777.75	4,463.28	4,813.37	17,645.03	15,839.56
3	Profit before Tax (1-2)	344.56	184.49	229.52	715.50	331.15
4	Tax Expense					
	Current Tax	79.74	57.91	120.09	200.00	155.00
	Deferred Tax	45.03	-	(34.88)	45.03	(34.88)
5	Net Profit for the Period (3-4)	219.79	126.58	144.32	470.47	211.03
6	Other Comprehensive Income					
	A)i) Items that will be reclassified to Profit or loss	-	-	-	-	-
	ii) Income tax on items that will be reclassified to profit or loss	-	-	-	-	-
	B)i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	a) Remeasurement of Defined Employee benefit plans	2.94	-	7.16	2.95	7.16
	ii) Income tax on items that will not be reclassified to profit or loss	(0.97)	-	(2.36)	(0.97)	(2.36)
	Total Other Comprehensive Income (net of taxes)	1.97	-	4.80	1.97	4.80
	Total Comprehensive Income for the Period	221.76	126.58	149.12	472.44	215.83
	Paid-up Equity Share Capital	1,789.68	1,789.68	1,703.28	1,789.68	1,703.28
	Earnings Per Share (EPS) Face Value of Rs. 10 per Share					
	(a) Basic	1.23	0.71	0.85	2.73	1.32
	(b) Diluted	1.23	0.71	0.85	2.73	1.26



Notes:

1. These financial results have been prepared in accordance with Indian Accounting Standards (Ind As) prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.
2. Reconciliation of Net profit between the financial results as previously reported (referred to as "Previous GAAP") and Ind AS for the period quarter and year ended on 31st March, 2017 are as under:

(Amount in Lakhs)			
3.Nature of adjustment	Note No	For the Quarter ended 31.03.17	For the Year ended 31.03.17
As per previous GAAP		237.98	343.77
Adjustment for upfront fees paid on term loans	a	(0.46)	(2.06)
Depreciation	a	0.09	0.38
Amortisation of lease rental on land	b	(0.93)	(3.78)
Employee Benefits	c	(7.16)	(7.16)
As per Ind AS		229.52	331.15

- 3 Reconciliation of Equity between the financial results as previously reported (referred to as ' Previous GAAP') and Ind AS for the year ended April 01, 2016 and March 31, 2017 are as under:

Rs. In Lakhs			
Particulars	Note No.	As at March 31 2017	As at April 01, 2016
<u>Total Equity as per Previous GAAP</u>		11,367.11	9,876.93
Change in fair value of Investments	e	(450.00)	(450.00)
Amortisation of lease rental on land	b	(24.65)	(20.86)
Adjustment for upfront fees paid on term loans	a	(4.48)	(2.42)
Depreciation	a	1.17	0.79
Dividend		-	95.48
Tax adjustments on above items	d	9.24	7.44
Equity As per Ind AS		10,898.40	9,507.36

a. Upfront fee paid on loan

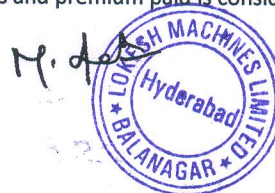
Under previous GAAP, some of the upfront fees paid for availing long term loans were charged as expenses and some were capitalised.

Under Ind AS, upfront fees paid on long term loans are adjusted with the loan amount and measured at amortised cost using effective interest rate. Some of the upfront fees which were capitalised were reversed from Property, Plant and Equipment and thereby the depreciation charged on upfront fees is also reversed back during the quarter ending March 31, 2017.

b. Amortisation of lease rental on land

Under Previous GAAP leasehold lands were recognised as assets under PPE.

As per Ind AS 17, the company has treated leasehold lands as operating leases and premium paid is considered as pre-paid lease rentals.



c. Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses which forms a part of re-measurement of net defined benefit liability/asset is recognised in other comprehensive income in the respective periods. However, the same does not result in difference in equity or total comprehensive income.

d. Tax Adjustments

Tax adjustments include deferred tax payment on account of differences between previous GAAP and Ind AS. These adjustments have resulted in an increase in net income under Ind AS.

e. Change in Fair Value of Investments

Under previous GAAP, Current Investments were measured at lower of cost or fair value and long terms investments were measured at cost less diminution in value which is other than temporary. Whereas, under Ind AS, financial assets other than amortized cost are measured at fair value and resultant adjustments have been carried out through other equity.

4 For the quarter ended March 31, 2018 and December 31, 2017 And for the year ended March 31, 2018, Income from operations are disclosed net of Goods and Service Tax(GST). In case of remaining periods , Income from Operations are disclosed inclusive of excise duty and the same has been included in other expenses also. Revenue from the operations (net) , for the above mentioned periods/years are not compareable with previous periods/years to that extent.

5 The above financial results have been reviewed by the audit committee and approved by the board at their meeting held on 16th May, 2018. The statutory auditors of the company have expressed Un modified audit opinion.

6 The figures of the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between audited figures for the full financial years and published year to date figures upto third quarter of the respective financial year.

7 Previous period figures have been regrouped or rearranged wherever necessary to confirm current year classification.

Place: Hyderabad
Date: 16/05/2018

For and on behalf of Board of Directors


M. LOKESWARA RAO
Managing Director



Lokesh Machines Limited

Segment-wise Revenue, Results and Capital employed under Regulation 33 of the SEBI (LODR) 2015

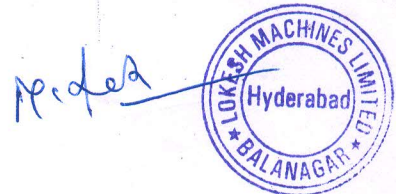
Rs. In Lakhs

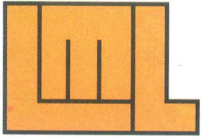
Particulars	QUARTER ENDED			YEAR ENDED	
	31.03.18	31.12.17	31.03.17	31.03.18	31.03.17
	(Audited)	(Un Audited)	(Audited)	(Audited)	(Audited)
1 Segment Revenue					
a) Machinery Division	3,330.32	3,214.78	3,114.78	11,536.05	8,690.96
b) Components Division	1,756.00	1,410.22	1,054.16	5,958.43	4,486.86
c) Unallocated	-	-	-	-	-
TOTAL	5,086.32	4,625.00	4,168.94	17,494.48	13,177.82
Less : Inter Segment Revenue	-	-	-	-	-
Net Revenue from Operations	5,086.32	4,625.00	4,168.94	17,494.48	13,177.82
2 Segment Results:					
Profit before Interest & Tax					
a) Machinery Division	853.13	578.01	941.39	2,328.64	2,327.71
b) Components Division	148.85	141.28	72.15	635.06	372.03
c) Unallocated	-	-	-	-	-
TOTAL	1,001.97	719.29	1,013.54	2,963.69	2,699.74
Less: Interest	343.73	341.12	406.73	1,408.92	1,664.06
Other unallocable Expenses net of Income	313.68	193.68	377.29	839.27	704.53
TOTAL PROFIT BEFORE TAX	344.56	184.49	229.52	715.50	331.15
3 Segment Assets					
a) Machinery Division	19,157.63	19,987.09	19,915.51	19,157.63	19,915.51
b) Components Division	8,822.20	8,983.49	9,612.22	8,822.20	9,612.22
c) Unallocated	-	-	-	-	-
	27,979.83	28,970.58	29,527.73	27,979.83	29,527.73
4 Segment Liabilities					
a) Machinery Division	9,617.97	10,578.37	11,230.59	9,617.97	11,230.59
b) Components Division	4,596.56	4,627.37	5,419.55	4,596.56	5,419.55
c) Unallocated	-	-	-	-	-
	14,214.53	15,205.74	16,650.14	14,214.53	16,650.14
3 Capital Employed					
a) Machinery Division	9539.66	9408.72	8684.92	9539.66	8684.92
b) Components Division	4225.64	4356.12	4192.67	4225.64	4192.67
c) Unallocated	-	-	-	-	-
TOTAL	13,765.30	13,764.84	12,877.59	13,765.30	12,877.59



Lokesh Machines Limited
 Regd. Office: B-29, EEIE, Stage-II, Balanagar, Hyderabad, TS-500 037
 CIN No.:- L29219TG1983PLC004319
Statement of Assets and Liabilities

PARTICULARS	Rs in Lakhs	
	As at 31.03.18 (Audited)	As at 31.03.17 (Audited)
ASSETS		
Non-Current Assets.		
(a) Propety, Plant and Equipment	10,833.27	8,554.48
(b) Capital Work-in-Progress	1,900.17	4,108.13
© Intangible assets	17.37	16.63
(d) Financial Assets		
(i) Investments	150.00	150.00
(ii) Loans and advances	552.28	856.72
(iii) Other Financial assets	996.22	1,244.40
	14,449.33	14,930.36
Current Assets		
(a) Inventories	9,576.70	9,564.61
(b) Financial Assets		
(i) Trade Receivables	2,479.95	2,651.03
(ii) Cash and cash equivalents	308.32	228.60
(iii) Loans and advances	734.81	1,341.15
(iv) Other financial assets	418.39	799.84
	13,518.18	14,585.22
Total Assets	27,967.51	29,515.58
EQUITY AND LIABILITIES		
(a) Equity Share capital	1,789.68	1,703.28
(b) Other Equity	11,975.62	10,898.40
© Money received against share warrants	-	275.92
	13,765.30	12,877.60
Non-Current liabilities		
(a) Financial borrowings	782.72	1,876.43
(b) Deferred tax liabilities (Net)	900.08	854.07
© Other Non-Current liabilities	198.29	440.15
(d) Provisions	240.88	283.62
	2,121.94	3,454.27
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,455.86	6,560.12
(ii) Trade payables	2,759.22	2,920.02
(iii) Other Financial liabilities	1,153.61	1,299.12
(b) Other current liabilities	1,502.68	1,974.87
© Provisions	208.92	429.60
	12,080.27	13,183.71
Total Equity and liabilities	27,967.51	29,515.58





**Lokesh
Machines Limited**



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e-mail : info@lokeshmachines.com

URL : www.lokeshmachines.com

CIN : L29219TG1983PLC004319

May 16, 2018

To, Bombay Stock Exchange Limited Corporate Services Floor 25, P.J Towers, Dalal Street, Mumbai, Pin: 400001 Security Code : 532740	To, National Stock Exchange of India Limited Listing Department Plot no. C/1, G Block ,Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Company Code: LOKESHMACH
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Sub: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and vide SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th May, 2016

Dear Sir,

In terms of the aforesaid SEBI circular and Regulations, We hereby declare that the Statutory auditors of the Company, M/s K S RAO & CO, Chartered Accountants (Firm Registration No. 003109S) have issued an Audit report with Unmodified opinion on the Annual Audited Financial results of the Company for the year ended 31st March, 2018.

You are requested to take the same on record.

Thanking You,

For Lokesh Machines Limited

**V Sudhakar Reddy
Chief Financial Officer**