



September 04, 2025

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

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

Scrip Code: 532740

Company Code: LOKESHMACH

Dear Sir/Madam,

Sub: Annual Report for the financial year 2024-25.

Pursuant to regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report along with Notice of 41st Annual General Meeting for the financial year 2024-25.

The Annual Report along with Notice of 41st Annual General Meeting for the financial year 2024-25 is being sent to all shareholders whose email IDs are registered with the RTA/Depositories and is also being made available on the Company's website at <https://www.lokeshmachines.com/>.

This is for your information and record.

Thanking You,

**Yours sincerely,
For Lokesh Machines Limited**

**P. Kodanda Rami Reddy
Company Secretary & Compliance Officer**

Encl.: a/a



"Resilience,
Strategic Planning &
Execution And
Sustained Progress"

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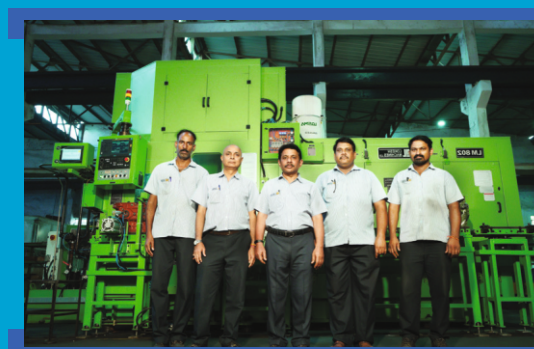
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Investor Information

Market Capitalisation	₹ 330.89 Cr
CIN	L29219TG1983PLC004319
BSE Code	532740
NSE Symbol	LOKESHMACH
Bloomberg Code	LOKM:IN
AGM Date	September 26, 2025
AGM Mode	Video Conferencing (VC)/Other Audio-Visual Means (OAVMs)



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

Or Simply Scan



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



Dear Shareholders,

I'm pleased to present to you the performance highlights of the Company for the financial year 2024-25; a year marked by major disruption, followed by strong resilience, strategic planning & execution and sustained progress across all facets of our business.

Economic Perspective

India continued to position itself as one of the fastest-growing major economies in FY 2024-25, registering an estimated real GDP growth of 6.8%, according to data from the Reserve Bank of India (RBI) and the Ministry of Finance. This growth was driven by strong domestic consumption, increased private investment, and sustained government spending on infrastructure and manufacturing.

Despite global headwinds such as geopolitical instability, high commodity prices, and interest rate fluctuations, India demonstrated economic resilience, supported by:

- Moderating inflation (averaging around 5.1%).
- Robust GST collections and tax compliance.
- Improvement in ease of doing business and digital governance.
- Continued FDI inflows, particularly in manufacturing and infrastructure

Industry Context

India's manufacturing sector is undergoing a critical transformation phase, with the rapid rise of industrial automation propelling the CNC machine tool market into a global growth hotspot. According to the reports by various analysts, the growth rate of Indian Machine Tool market is slated to grow at twice the global average in the next 5 years. Furthermore, supported by its large industrial base and favourable policies, India has strong potential to become a key strategic region in the global CNC machine tool market.

India's machine tool market, especially the CNC segment, has one of the fastest growth potentials in the global machine tool industry. This growth is mainly driven by industrial automation, automotive industry demand, integration with 3D printing technology, R&D collaboration, and policy support coupled with investment incentives (PLI etc.). The active investment by international brands demonstrates strong confidence in the Indian market, but they also need to overcome challenges such as high price sensitivity, infrastructure limitations, complex legal and tax systems, and labour and cultural issues.

Financial Performance

The first two quarters augured well and the momentum was building up for a good growth, however in the financial year ended on March 31, 2025, the Company recorded Revenue from Operations of Rs. 22,832.16/- lacs, as compared to Rs. 29,353.99/- lacs in 2023-24. Furthermore, during the financial year, the company has made profit after tax of Rs. 53.68 lacs as compared to Rs. 1384.79 lacs in 2023-24.

This rapid drop after first two quarters of robust growth was disrupted by the unforeseen and unfortunate sanctions imposed on the company by OFAC USA. On October 30, 2024, the Company was sanctioned by United States Office of Foreign Control Assets ("OFAC Sanctions"). Because of OFAC Sanctions, the Company's turnover has decreased to the extent of 22.18 % as compared to the last financial year.

Since October 30, 2024, the Company was unable to enter into any foreign currency transactions and also the Company experienced a discontinuation of business with Mahindra & Mahindra, a key customer for the Auto Component Division and other general customers in the Machine Tool Division.

While this development posed a temporary but onerous challenge, the Company responded swiftly and strategically to mitigate the impact and realign its growth trajectory. Some of the immediate measures included Leadership Strengthening, Customer Diversification, Product Portfolio Enhancement, Expansion into Forgings Segment, Defence Sector Engagement And Infusion of Promoter Capital to Strengthen Liquidity to name a few.

We are pleased to inform you that the above initiatives have helped us resiliently bounce back and the progressive green shoots are now visible. I take this opportunity to thank our customers who believed in us and helped us overcome this setback with their kind patronage.

Of course the company continues to actively engage with OFAC through its lawyers in USA and India to get itself delisted from the Sanctions list.

Way forward

Looking ahead, we are confident about the medium to long term growth prospects for the Company in the sectors we serve. With a diversified portfolio, strong brand equity, dedicated team and a sharp focus on value creation, LML is well positioned to capitalize on India's growth momentum. Our disciplined execution, product excellence, and strong internal systems lay a solid foundation for the multi-year growth cycle ahead.

Exports remain slightly muted during the year due to global challenges as well as ongoing OFAC issues. However, by the time things normalise globally, we are confident of being ready to take on new international market opportunities for LML.

Defence also continues to be a key diversification area and together with all the above listed initiatives, we are sure of long-term growth.

In Gratitude

In conclusion, I wish to extend my sincere gratitude to all our colleagues at Lokesh, our esteemed shareholders and our bankers for your unwavering trust and support. Your belief in our mission continues to inspire us to overcome the stumbling blocks and grow. Together, we will take LML to new heights and cement its place as a globally respected name in the CNC Machine tools and allied engineering space.

Warm Regards,
Mullapudi Lokeswara Rao
Managing Director

Governance

Guiding Advancements. Navigating Transformation.

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

300+ Years

Cumulative Experience

3

Independent Directors

2

Non-Executive Directors

3

Whole-time Directors

Steering Strategic Excellence



Mr. M. Lokeswara Rao
Managing Director

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



Mr. B. Kishore Babu
Whole-time Director

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



Mr. M. Srinivas
Whole-time Director

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



Audit Committee



Stakeholders Relationship Committee



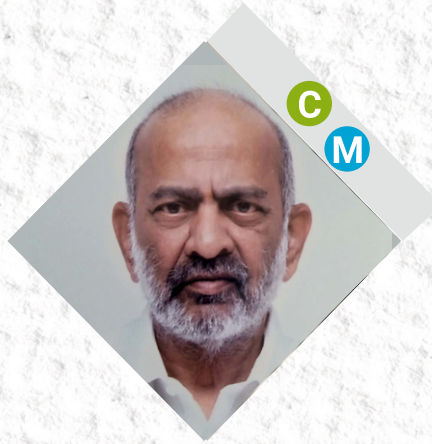
Nomination and Remuneration Committee

C: Chairperson

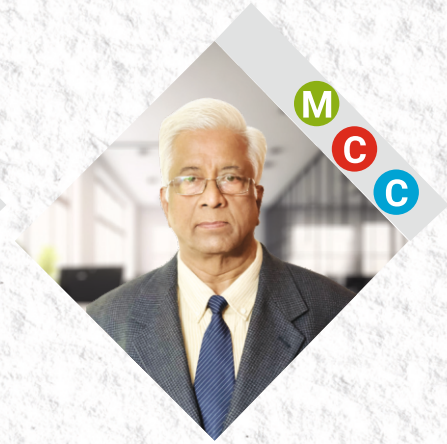
M: Member

**Mr. M. Srikrishna****Whole-time Director**

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

**Mr. Meka Yughandhar****Independent Director & Chairman of the Board**

Mr. Meka Yugandhar is a 74 years old and a fellow member of the Institute of Chartered Accountants of India since 1977. He has more than four decades of immense experience in corporate accounting and governance as a Chartered Accountant.

**Mr. S. S. Raman****Independent Director**

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

**Mr. D. Balaji****Independent Director**

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

**Ms. M. Likhitha****Non-Executive Director**

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

**Mr. K. Krishna Swamy****Non-Executive Director**

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

Corporate Information

Board of Directors

Mr. Mullapudi Lokeswara Rao
Managing Director

Mr. B. Kishore Babu
Whole-time Director

Mr. M. Srinivas
Whole-time Director

Mr. M. Srikrishna
Whole-time Director

Mr. B.R. Mahesh
Independent Director &
Chairman of the Board
(The second term was
concluded w.e.f. Sep. 29, 2024)

Mr. M. Yugandhar
Independent Director &
Chairman of the Board
(Appointed as Ind. Director and
Chairman of the Board
w.e.f. Sep. 29, 2024)

Mr. S. S. Raman
Independent Director
(Resigned w.e.f. April 29, 2025)

Mr. D. Balaji
Independent Director

Ms. M. Likhitha
Non-executive Director

Mr. K. Krishna Swamy
Non-executive Director

STATUTORY COMMITTEES

Audit Committee

Mr. B.R. Mahesh
Chairperson
(up to September 29, 2024)

Mr. M. Yugandhar
Chairperson
(w.e.f. September 30, 2024)

Mr. D. Balaji
Member

Mr. M. Srinivas
Member

Nomination & Remuneration Committee

Mr. S.S.Raman
Chairperson
(Resigned w.e.f. April 29, 2025)

Mr. D. Balaji
Chairperson
(Appointed as Chairperson
w.e.f. July 8, 2025)

Mr. B.R. Mahesh
Member
(The second term was concluded
w.e.f. September 29, 2024)

Mr. M. Yugandhar
Member
(Appointed as member
w.e.f. September 30, 2024)

Ms. M. Likhitha
Member

Stakeholders Relationship Committee

Mr. S. S. Raman
Chairperson
(Resigned w.e.f. April 29, 2025)

Mr. D. Balaji
Chairperson
(Appointed as Chairperson
w.e.f. July 8, 2025)

Mr. B. Kishore Babu
Member

Mr. M. Srikrishna
Member

Chief Financial Officer

Mr. V. Sudhakara Reddy

Company Secretary

Mr. Gurprit Singh
(up to 14.08.2025)

P. Kodanda Rami Reddy
(w.e.f. 15.08.2025)

Bankers

State Bank of India
Punjab National Bank
Indusind Bank Limited

Statutory Auditors

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

Internal Auditors

K.S. Rao & Co.
Chartered Accountants
Hyderabad Telangana, India

Secretarial Auditors

M/s L.D. Reddy & Co.
Company Secretaries
Flat No. 504, Afzal Commercial
Complex, Besides MMTS. Rly.
Station Hyderabad - 500 004
Telangana, India

Registrars & Transfer Agents

KFin Technologies Limited
Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana,
India - 500 032.
Email ID: einward.ris@kfintech.com
Toll Free/ Phone Number: 1800 309 4001

Registered Office

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

Units

Temple Road
Bonthapally, Medak District
Telangana, India

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

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

Ravalkol Village, Medchal Mandal
Rangareddy Dist, Telangana, India

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

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

BOARD'S REPORT

Dear Members,

Your directors are pleased to present the 41st Annual Report of the company along with the Audited financial Statements for the financial year ended March 31, 2025.

1. FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

(Rs in Lakhs)

Particulars	2024-25	2023-24
Revenue from Operations	22,832.16	29,353.99
Other Income	147.31	168.18
Total Income	22,979.47	29,522.17
Total Expenses	22,890.46	27,466.84
Profit before Taxes	89.01	2,055.33
Tax Expenses:		
(i) Current Tax	-	372.13
(ii) Provision for earlier tax	-	103.68
(iii) Deferred Tax	35.33	194.73
Profits/ (Loss) after Taxes	53.68	1,384.79
Earnings Per Equity Share:		
Basic	0.28	7.68
Diluted	0.28	7.68

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

2. PERFORMANCE REVIEW

During the financial year ended on March 31, 2025, the Company recorded Revenue from Operations of Rs. 22,832.16/- lacs, as compared to Rs. 29,353.99/- lacs in 2023-24. Furthermore, during the financial year, the company has made profit after tax of Rs. 53.68 lacs as compared to Rs. 1,384.79 lacs in 2023-24.

Furthermore, on October 30, 2024, the Company was sanctioned by United States Office of Foreign Control Assets ("OFAC Sanctions"). Because of OFAC Sanctions, the Company's turnover has decreased to the extent of 22.18 % as compared to the last financial year.

Furthermore, starting from October 30, 2024, the Company was unable to enter into any foreign currency transactions.

In view of the OFAC sanctions and challenging macro-economic conditions, the company has taken a certain cost cutting initiative and as a result of which, the Company is able to minimize the impact of sanctions on the operations of the Company.

Furthermore, the Company has undertaken renewed strategic initiatives aimed at recouping the business. These measures have begun to yield positive outcomes, evidenced by the emergence of new opportunities and the on boarding of new customers.

Further, the Company is in the process of getting its name removed from the sanction list of the United State Department of Treasury for which the Company through a US based lawyer firm filed an application before Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC") for expedited removal/reconsideration of Designation on the list of Specially Designated Nationals and Blocked Persons on January 31, 2025 (EST).

BOARD'S REPORT (Contd.)

3. DIVIDEND

Currently, your company is prioritizing its expansion plans, and a significant portion of the profit is being reinvested back into the business with the focus on creating shareholders' value. Therefore, your directors did not recommend any dividends for the financial year ending March 31, 2025.

4. TRANSFER TO GENERAL RESERVE

The Company does not propose transferring any amount to General Reserve for the financial year 2024-25.

5. SHARE CAPITAL

The Authorized share capital of the Company is Rs. 22,00,00,000 (Rupees Twenty-Two Crore Only) divided into 2,20,00,000 (Two Crore Twenty Lakhs Only) equity shares of Rs. 10/- (Rupees Ten Only).

During the previous financial year ended on March 31, 2024, the Company has issued & allotted 6,00,000 Equity Shares of Rs 10/- each at a premium of Rs. 233.25/- on Preferential basis to non-promoters.

In addition to above, the company has also issued & allotted 15,00,000 convertible warrants of Rs. 10/- each at a premium of Rs. 233.25/- on Preferential basis to the members of promoters/promoters group.

During the financial year ended on March 31, 2025, 8,53,562 warrants have been converted into equity shares by the members of promoters/promoters group and because of that paid up equity share capital of the Company has increased by 8,53,562 equity shares.

Furthermore, till date, remaining 6,46,438 warrants have also been converted into equity shares and because of that paid up equity share capital of the Company has increased by 6,46,438 equity shares.

As on March 31, 2025, the paid-up equity Share Capital of the company is Rs. 1,935.03 and paid-up equity share capital on a fully diluted basis is Rs. 1999.67 Lakhs.

6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

7. CHANGE IN THE NATURE OF BUSINESS

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

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Composition

As on March 31, 2025, the Company's Board of Directors comprises of 9 directors. Four are Executive Directors and three are Independent Directors and two are Non-Executive Directors including one Women Director.

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

During the year, Mr. Likhitha Mullapudi, a Non-Executive Director of the company, is due to retirement by rotation at the ensuing Annual General Meeting and is also eligible for re-appointment.

The second term for Mr. B.R. Mahesh was concluded on September 29, 2024. Further, on the recommendation of the Nomination and Remuneration Committee, the Board has recommended the appointment of Mr. Meka Yugandhar as an Independent Director of the Company at the Annual General Meeting effective from September 29, 2024, to September 28, 2029.

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

Subsequent to the end of the financial year, Mr. Raman Sekharipuram Seshadri, an Independent Director on the Board of the Company resigned w.e.f. April 29, 2025

BOARD'S REPORT (Contd.)

As mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailed information and profiles of the director's seeking appointment and re-appointment are provided in the notice and explanatory statement of the 41st Annual General Meeting.

Independent Directors

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

During the year under review, a separate meeting of Independent Directors was held on March 28, 2025, in accordance with Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This meeting was convened without the attendance of Non-Independent Directors.

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

Change in Key Managerial Personnel (KMP)

Subsequent to the end of the financial year, Mr. Gurprit Singh resigned as Company Secretary and Key Managerial Personnel of the Company w.e.f. August 14, 2025. Mr. P. Kodanda Rami Reddy, appointed as Company Secretary, Compliance Officer & Key Managerial Personnel (KMP) of the Company w.e.f. 15.08.2025.

Appointment of Chief Operating Officer(COO)

Subsequent to the end of the financial year, Mr. Sandeep Avinash Dorle was appointed as Chief Operating Officer (COO) of the Company w.e.f. July 10, 2025. He is also designated as Senior Management Personnel under the SEBI (LODR) Regulations, 2015.

9. BOARD MEETINGS

During the year, a total of 7 meetings of the Board of Directors were convened. Comprehensive information regarding these meetings is provided in the Corporate Governance Report, which is enclosed as Annexure D.

10. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES.

In accordance with Section 178(1) of the Companies Act, 2013, concerning the establishment of a Nomination and Remuneration Committee. As such, the Company has formulated a comprehensive policy that encompasses various aspects, including the appointment of Directors, remuneration for managerial roles, Director qualifications, their positive attributes, the assessment of Director independence, and other pertinent subjects as stipulated by Section 178(3) of the Companies Act, 2013. The details of Board and committee composition, tenure of directors, areas of expertise and other details are available in the corporate overview section that forms part of this Integrated Annual Report. This policy has been made accessible on the Company's website for reference <https://www.lokeshmachines.com/investment-center.php?key=policy>.

11. AUDITORS

a) Statutory Auditors

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

The Statutory Auditors' report forms part of the Annual Report. The notes on financial statements referred to in the

BOARD'S REPORT (Contd.)

Auditors' Report are self-explanatory and do not call for any further comments.

The Statutory Auditors have not made any qualifications, reservations, or adverse remarks or disclaimer in their report for the financial year ended on March 31, 2025, furthermore, no instances of fraudulent activities have been reported by the Auditors to the Company's Audit Committee during financial year under review.

b) Cost Auditors:

The Board, during its meeting on May 28, 2025, has appointed M/s Naval & Associates, Cost Accountants (Firm Registration: 002419), to perform the audit of cost records for various segments of the Company for the fiscal year 2025-26, based on the recommendation of the Audit Committee.

In accordance with the provisions outlined in Section 148 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, a resolution has been prepared for presentation at the forthcoming Annual General Meeting (AGM) to seek ratification of the remuneration proposed for the aforementioned Cost Auditors.

c) Secretarial Auditors:

As per the provisions of section 204 of Companies Act, 2013, Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, and subject to the approval of the share holders of the Company at the ensuing Annual General Meeting, the Board, at its meeting held on May 28, 2025, recommended the appointment of M/s L.D. Reddy & Co. Practicing Company Secretaries for the period of 5 years (Five years) starting from April 01, 2025, to March 31, 2030.

The Secretarial Audit Report issued by M/s L.D. Reddy & Co. Practicing Company Secretaries for the financial year 2024-25 is annexed as Annexure A to this report. Further more, the Secretarial Auditors have not made any qualifications, reservations, or adverse remarks or disclaimer in their report for the financial year ended on March 31, 2025.

Furthermore, in accordance with regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), the Company has undertaken an audit to ensure compliance with all applicable provisions of the SEBI Listing Regulations for the financial year 2024-25.

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

12. INTERNAL AUDIT, INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board, in its meeting on May 28, 2025, has appointed M/s K. S. Rao & Co., Chartered Accountants, Hyderabad having Firm Reg. No. 003109S as the Internal Auditors of the Company for the financial year ended on March 31, 2025.

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

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

13. SECRETARIAL STANDARDS

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



BOARD'S REPORT (Contd.)

14. PREVENTION OF INSIDER TRADING

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Mr. P. Kodanda Rami Reddy, Company Secretary, as Compliance Officer w.e.f. August 15, 2025, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code of conduct for the prevention of Insider trading.

15. DIVIDEND DISTRIBUTION POLICY

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

16. BUSINESS RESPONSIBILITY REPORT

The Provision relating to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time regarding submission of Business Responsibility Report is not applicable to your Company.

17. ANNUAL RETURN

The Annual Return of the 2024-25 filed by the Company is available on the Company's website and can be accessed at <https://www.lokeshmachines.com/investment-center.php?key=annual-returns06-16-01> and the Annual Return as on March 31, 2025 shall be uploaded on the website of the Company as & when filed with the Registrar of Companies, Hyderabad.

18. INDUSTRIAL RELATIONS

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

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

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

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy of the Company and details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed as part of this report in Annexure C attached hereof. Further details of composition of the Corporate Social Responsibility Committee and other details are provided in the Corporate Governance Report which forms part of this report as Annexure D.

21. COMPLIANCE UNDER POSH ACT, 2013

The Company has in place a policy for prevention, prohibition and redressal against sexual harassment of women at workplace to protect women employees and enable them to report sexual harassment at workplace. An Internal Committee has been constituted consisting of optimum number of women for the said purpose. During the year under review, details of the complaints are mentioned below:

Particulars	Details
Number of complaints received during the year	NIL
Number of complaints at the beginning of the year	NIL
Number of complaints at the end of the year	NIL

BOARD'S REPORT (Contd.)

22. PERFORMANCE ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE AND OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

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

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

The Independent Directors of the Company had also convened a separate Meeting for this purpose on March 28, 2025. The results from this evaluation process have been informed to the Chairman of the Board of Directors.

23. LISTING

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

24. DIRECTORS RESPONSIBILITY STATEMENT

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

In preparation of annual accounts for the financial year ended March 31, 2025.

- the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2025 and of the profit of the Company for the financial year;
- The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a 'going concern' basis;
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. CORPORATE GOVERNANCE REPORT

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

26. FUND RAISING AND UTILIZATION

Your Company raised funds by issuing Equity Shares and Warrants by way of preferential allotment in accordance with the provisions of the Companies Act, 2013 and SEBI (ICDR) Regulations, 2018.

The details of amount raised, and utilization of such funds are as follows:

Details of amount raised

(In Crore)

Type of Security	Total amount raised	Already received towards subscription	Pending receipt
Equity Share	14.59	14.59	—
Warrants	36.49	36.49	—
Total	51.08	51.08	—



BOARD'S REPORT (Contd.)

Details of amount spent

(In Crore)

Objects specified in Offer Letter	Amount Spent	Deviation
Towards repayment of unsecured loans	9.00	No
Towards capital expenses	27.00	No
Towards working capital	15.08	No
Total	51.08	No

27. CERTIFICATE FROM COMPANY SECRETARY IN PRATICE

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

28. NOMINATION AND REMUNERATION POLICY

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

29. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure E forming part of this report.

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

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

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

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

31. INSURANCE

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

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

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

33. MATERIAL CHANGES AND COMMITMENTS

There are no Material changes and commitments affecting the financial position of the Company which occurred between the financial year ended March 31, 2025, to which the financial statements relate and the date of signing of this Report.

BOARD'S REPORT (Contd.)

34. MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis Report for the financial year ending on March 31, 2025, is enclosed as Annexure B to this report.

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

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) 2014, is enclosed as Annexure F to this report.

36. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

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

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

37. VIGIL MECHANISM

In pursuant to the provisions of section 177 of the Companies Act, 2013 read with regulation 22 of SEBI (LODR) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established. All employees of the Company are covered under the Whistle Blower Policy. The Policy can be accessed at <https://www.lokeshmachines.com/investment-center.php?key=policy>.

38. DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

During the year under review, the company has not accepted any deposits. Furthermore, detailed disclosure is as mentioned below:

S.No.	Particulars	Details
a)	Accepted during the year;	NIL
b)	Remained unpaid or unclaimed as at the end of the year	NIL
c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	No default during the financial year.
	(i) At the beginning of the year;	NIL
	(ii) Maximum during the year;	NIL
	(iii) At the end of the year;	NIL
	(vi) The details of deposits which are not in compliance with the requirements of Chapter V of the Act;	NIL

39. RELATED PARTY TRANSACTIONS:

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

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

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

41. COMPLIANCE WITH THE PROVISIONS OF MATERNITY BENEFIT ACT 1961

During the year under review, the company has complied with the provisions of the Maternity Benefit Act 1961.



BOARD'S REPORT (Contd.)

42. ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Place: Hyderabad
Date: August 12, 2025

Sd/-
Mullapudi Lokeswara Rao
Managing Director
DIN: 00989447

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

ANNEXURE A

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the Period from 01.04.2024 to 31.03.2025

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

To

The Board of Directors

M/s. Lokesh Machines Ltd

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period from 1st April, 2024 to 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Period from 1st April, 2024 to 31st March, 2025 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - a. The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The SEBI (Prohibition of Insider Trading) Regulations, 2015
 - d. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - e. The SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the Audit period)
 - f. SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 - (Not applicable to the Company during the Audit period)
 - g. The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - h. The SEBI (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit period)
 - i. The SEBI (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit period)
 - vi. The Payment of Wages Act, 1936
 - vii. Minimum Wages Act, 1948
 - viii. Employees Provident Fund And Misc. Provisions Act, 1952
 - ix. Employees State Insurance Act, 1948



ANNEXURE A (Contd.)

- x. Payment of Gratuity Act, 1972
- xi. Employee's Compensation Act, 1923
- xii. The Payment of Bonus Act, 1965
- xiii. Contract Labour (Regulation & Abolition) Act 1970
- xiv. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xv. Income Tax Act, 1961
- xvi. GST Act and Rules made thereunder
- xvii. The Insurance Act, 1938 [as amended by insurance (amendment) act, 2002]
- xviii. The Factories Act, 1948 and rules made thereunder.
- xix. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- xx. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

- ❖ Closure of the Register of Members.
- ❖ Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- ❖ Service of documents by the Company to its Members, Auditors and the Registrar of Companies;
- ❖ Maintenance of various statutory registers and documents and making necessary entries therein has been done as per the Companies Act, 2013;
- ❖ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ❖ Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- ❖ Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- ❖ Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- ❖ Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- ❖ Appointment and remuneration of Statutory Auditor, Cost Auditor and Secretarial Auditors.
- ❖ Borrowings and registration, modification and satisfaction of charges wherever applicable;
- ❖ Format of balance sheet and statement of profit and loss is as per Schedule III of Companies Act, 2013 read with Companies (Indian Accounting Standard (Ind AS) Rules 2015;
- ❖ Report of the Board of Directors as per sec 134 of the Companies Act 2013;
- ❖ The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Conduct for Directors and Management Personnel.

3. **We further report that:**

- ❖ The Company has complied with the requirements under the equity listing agreements entered into with BSE Limited, National Stock Exchange of India Limited;

ANNEXURE A (Contd.)

- ❖ The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2011; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - ❖ The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended including the provisions with regard to disclosures and maintenance of records required under the said Regulations.
 - ❖ The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding;- No transactions during the year
 - ❖ There was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
4. We Further Report That:
- ❖ The Company is regular in publishing Audited and Unaudited Financial Results.
 - ❖ The Company has filed return under Employment Exchange Act/Rules
 - ❖ The company has filed integrated return under The Factories Act, 1948 and other Labour Laws for the financial year ending 31st March, 2025
5. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further Report that during the audit period the Company has:
- ❖ The company has allotted the Equity Shares pursuant to conversion of Warrants during the period under review.,
 - ❖ No buy back of shares
 - ❖ No major Decision taken by the members in pursuance of Section 180 of the companies Act, 2013;
 - ❖ No Merger/Amalgamation/Reconstruction, etc.,
 - ❖ No Foreign Technical Collaborations;

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

Lebaka Dhanamjaya Reddy
(Proprietor)
M No.: 13104
CP. No.3752
UDIN:A013104G000925829

Date:04.08.2025
Place: Hyderabad

Note: our report should be read along with the annexure



ANNEXURE A (Contd.)

ANNEXURE

To

The Board of Directors

M/s. Lokesh Machines Ltd

Address: B-29 EEIE, Stage II, Balanagar,

Hyderabad, Telangana 500037

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

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

**For L.D. Reddy & Co.,
Company Secretaries****Lebaka Dhanamjaya Reddy**
(Proprietor)
M No.: 13104
CP. No.3752
UDIN:A013104G000925829Date: 04.08.2025
Place: Hyderabad

Note: our report should be read along with the annexure

ANNEXURE A1

Secretarial compliance report of Lokesh Machines Limited for the year ended 31st March 2025

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

- all the documents and records made available to us and explanation provided by Lokesh Machines Limited ("the listed entity"),
- the filings/ submissions made by the listed entity to the Stock Exchanges,
- website of the listed entity; and
- any other document/ filing, as may be relevant, which has been relied upon to make this Report.

For the financial year ended 31st March 2025 ("Review Period") in respect of compliance with the provisions of:

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

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include: -

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (Not applicable to the company during audit period)**
- Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
(Not applicable to the company during audit period)
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
(Not applicable to the company during audit period)
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- other regulations as applicable. and circulars/ guidelines issued thereunder;
- other applicable regulations and circulars/ guidelines issued thereunder;
- The reporting of clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated 18th October 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries" is not applicable during the Review Period.
- According to NSE Circular No.NSE/CML/2023/21, BSE Circular No.20230316-14 dated 16th March 2023, and NSE Circular No.NSE/CML/2023/30, BSE Circular No.20230410-41 dated 10th April 2023 the additional affirmations are given in Annexure-1.

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

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

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



ANNEXURE A1 (Contd.)

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

Sr. No.	Observations/ Remarks Of the Practicing Company Secretary in the previous reports) (PCS)	Observations made in the secretarial compliance report for the year ended (the years are to be mentioned).	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
Nil	Nil	Nil	Nil	Nil	Nil	Nil

For L.D. Reddy & Co
Company Secretaries

L. Dhanamjaya Reddy

(Proprietor)

CP. No.: 3752

M. No.:13104

UDIN: A013104G000490592

Place: Hyderabad

Date:29.05.2025

ANNEXURE A1

The Company has provided the following Additional Affirmations according to NSE Circular No. NSE/CML/2023/21, BSE Circular No. 20230316-14 dated 16th March 2023, and NSE Circular No. NSE/CML/2023/30, BSE Circular No. 20230410-41 dated 10th April 2023:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	Secretarial Standards The compliances of the listed entity is in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI)	Yes	
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of the board of directors of the listed entities All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI 	Yes Yes	
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website 	Yes Yes Yes	
4.	Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	
5.	Details related to Subsidiaries of listed entities: <ul style="list-style-type: none"> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries 	NA NA	The Company does not have any subsidiary company
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	
8.	Related Party Transactions: <ul style="list-style-type: none"> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee 	Yes NA	No such instances occurred during the audit period



ANNEXURE A1 (Contd.)

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS*
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder	Yes	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	
13.	Additional non-compliances, if any: No additional non-compliance observed for all SEBI regulation/ circular/ guidance note etc.	Yes	No such instances occurred during the audit period

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

We further, report that the listed entity is in compliance/ not in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations. Not Applicable

Assumptions & limitation of scope and review:

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

For L.D. Reddy & Co
Company Secretaries

L. Dhanamjaya Reddy
(Proprietor)
CP. No.: 3752
M. No.:13104

UDIN: A013104G000490592

Place: Hyderabad
Date:29.05.2025

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Overview

The global economy in FY 2024–25 demonstrated moderate resilience amid a complex backdrop of geopolitical tensions, uneven recovery in developed markets, and continued inflationary pressures. According to the IMF, global GDP grew by approximately 2.9%, slightly below long-term averages but a recovery from the prior year's stagnation.

While North America and Europe showed signs of economic stabilization, growth was largely driven by emerging markets in Asia and Latin America, with countries like India, Vietnam, and Brazil leading industrial output. High interest rates in the U.S. and Eurozone gradually began to ease by Q4, bringing some relief to global capital expenditure and manufacturing investments.

Impact on Machine Tools Industry

The machine tools industry, closely tied to capital goods and manufacturing sectors, saw a gradual rebound in demand, especially in Asia-Pacific. Key developments included:

China faced headwinds due to a slowdown in real estate and exports, impacting demand for heavy machine tools.

India emerged as a growth engine, driven by government incentives, infrastructure investments, and increased manufacturing localization.

Europe, especially Germany and Italy, maintained stable output but faced high energy costs and labor shortages.

North America benefited from nearshoring trends, with demand rising for automated and high-precision machine tools in automotive and aerospace sectors.

Supply chain normalization, especially for semiconductors and electrical components, allowed machine tools manufacturers to clear backlogs and meet pent-up demand. However, volatile raw material costs (steel, copper, aluminum) and elevated shipping charges continued to affect margins across global players.

Technology and Investment Trends

Digitalization & Industry 4.0: Global OEMs continued integrating IoT, predictive maintenance, and cloud-based analytics into CNC and SPM solutions.

Sustainability Focus: Increased investment in energy-efficient machines and green manufacturing processes.

Capital Expenditure: Slower than expected in Europe and Japan but picked up in India, the U.S., and select ASEAN nations.

Outlook for FY 2025–26

The global machine tools industry is expected to grow at a CAGR of 4–5% over the next few years, supported by:

- ❖ Easing monetary policy
- ❖ Demand for EV-related manufacturing systems
- ❖ Increasing automation across mid-sized enterprises
- ❖ Geopolitical realignments driving regionalized supply chains

However, risks remain in the form of currency fluctuations, prolonged conflicts (e.g., Ukraine, Middle East), and policy uncertainties in key markets.

2. Indian Economic Overview

India continued to position itself as one of the fastest-growing major economies in FY 2024–25, registering an estimated real GDP growth of 6.8%, according to data from the Reserve Bank of India (RBI) and the Ministry of Finance. This growth was driven by strong domestic consumption, increased private investment, and sustained government spending on infrastructure and manufacturing.

Despite global headwinds such as geopolitical instability, high commodity prices, and interest rate fluctuations, India demonstrated economic resilience, supported by:

- Moderating inflation (averaging around 5.1%)
- Robust GST collections and tax compliance
- Improvement in ease of doing business and digital governance



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- Continued FDI inflows, particularly in manufacturing and infrastructure

Impact on the Machine Tools Industry

India's strong industrial and manufacturing performance had a direct and positive impact on the machine tools sector, which is deeply linked to capital goods, automotive, aerospace, and heavy engineering segments.

Key developments in FY 2024–25 included:

- PLI (Production-Linked Incentive) Schemes: Investments from global and Indian OEMs in sectors like automobiles, electronics, and semiconductors boosted demand for advanced and automated machine tools.
- Make in India & Atmanirbhar Bharat: These initiatives accelerated the localization of manufacturing processes, especially in defense, railways, and precision engineering, leading to higher demand for CNC machines, turning centers, and special-purpose machinery.
- Infrastructure Push: Government expenditure in roads, railways, ports, and housing created a multiplier effect for metal forming and fabrication machines.
- EV Manufacturing Boom: Rapid growth in electric vehicle manufacturing prompted demand for highly customized and accurate machine tools, especially for battery, motor, and chassis components.

Export and Import Trends

- India exported machine tools worth over 4,200 crore in FY 2024–25, with key markets including the U.S., Germany, Vietnam, and UAE.
- Imports remained strong for high-precision, multi-axis, and automation-integrated machines, though domestic manufacturers started closing the gap through technology collaborations and in-house R&D.

Investment and Capacity Expansion

Several Indian machine tool manufacturers, including Lokesh Machines, expanded their capacity or invested in automation upgrades to meet growing demand and improve competitiveness.

Key Challenges

- Skill shortages in advanced CNC programming and machine integration.
- Rising cost of capital impacting MSME investment cycles.
- Persistent dependence on imports for high-end electronics and motion control systems.
- Delayed payments from government-linked projects, affecting working capital.

Outlook for FY 2025–26

The Indian economy is expected to grow between 6.5% and 7.0% in FY 2025–26, maintaining its trajectory as a key engine of global growth.

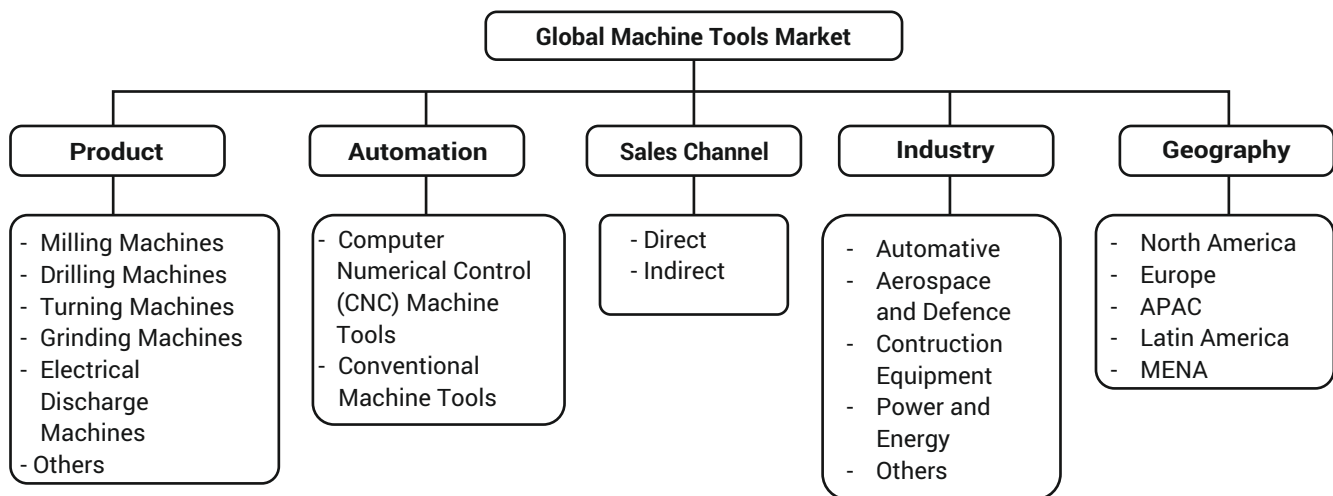
Implications for the Machine Tools Sector:

- Anticipated double-digit growth in capital goods demand.
- Increasing penetration of Industry 4.0 and smart factory solutions.
- Strong potential in export markets as Indian firms gain technological parity.
- Rising integration of AI, robotics, and cloud in industrial machinery.

Overall, the machine tools industry is poised to benefit significantly from India's manufacturing renaissance, infrastructure momentum, and proactive industrial policy framework.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Structure of the Global Machine Tools Industry



Global Machine Tools Market – FY 2024–25

Market Overview

- The global machine tools market is estimated to have reached USD 82.3 billion in 2024.
- Projected to grow to USD 109.8 billion by 2031, at a CAGR of 4.1%.
- Growth is driven by increased automation, customization needs, and smart manufacturing.
- Key segments: Milling machines, CNC machines, Electrical Discharge Machines, and Hybrid additive-subtractive systems.

Regional Insights

Region	Share (%)	Growth Drivers
Asia-Pacific	~54%	China, India, and Japan driving production and adoption
North America	~18%	Reshoring, semiconductor & EV investments
Europe	~17%	Precision manufacturing, green industrialization

Technology Trends

- Industry 4.0: Integration of IoT, AI, and digital twins in CNC tools
- High-Precision Demand: Especially from aerospace and medical device industries
- Sustainability: Energy-efficient and eco-friendly machine tools are gaining traction

Challenges

- High capex and maintenance costs for SMEs
- Shortage of skilled machine operators
- Geopolitical risks affecting supply chains

Outlook:

The market is poised for steady growth as global industries shift towards digitally integrated, high-precision, and energy-conscious production systems.

Indian Machine Tools Market – FY 2024–25

Market Overview

- Valued at USD 1.5 billion in 2023, expected to reach USD 3.2 billion by 2032
- Growing at a CAGR of 8.2%, outpacing the global average
- Driven by:



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- PLI Schemes in automotive, defense, and capital goods
- Make in India & Atmanirbhar Bharat
- Increasing adoption of CNC and automation

Market Structure

Segment	Growth Drivers
Metal Cutting	Used across auto, aerospace, defence
Metal Forming	Construction, infrastructure sectors
CNC Technologies	Automation, precision, Industry 4.0
SMEs/Job Shops	Need cost-effective, versatile machines

Regional Spread

Region	Highlights
South India	Major manufacturing hub (esp. Tamil Nadu, Karnataka)
West & Central	Automotive and engineering clusters
North India	Heavy industries and public sector units
East India	Emerging hub with government investment focus

Key Opportunities

- Exports: Expanding demand from Africa, LATAM, and Southeast Asia
- EV and Defense: Surge in component demand and indigenization
- Automation: SMEs investing in smart machining for competitiveness

Challenges

- Dependence on imports for advanced components
- Financing constraints for smaller manufacturers
- Skill gap in advanced CNC operation and integration

Outlook:

With strong government backing and rising domestic demand, India's machine tools industry is set to play a critical role in the country's industrialisation and export competitiveness over the next decade.

Opportunities**1. Government Initiatives:**

- **Atmanirbhar Bharat:** The government's push for self-reliance and reducing imports creates a huge opportunity for Indian manufacturers. With policies like "Make in India," there is a focus on boosting local production, reducing dependency on foreign technology, and encouraging innovation.
- **Atmanirbhar Bharat:** The government's push for self-reliance and reducing imports creates a huge opportunity for Indian manufacturers. With policies like "Make in India," there is a focus on boosting local production, reducing dependency on foreign technology, and encouraging innovation.
- **PLI Schemes:** The Production-Linked Incentive (PLI) schemes for the manufacturing sector incentivize companies to enhance their production capacity and competitiveness, especially in critical sectors like defense, aerospace, and automotive.
- **Defense Manufacturing:** The recent developments regarding licensing and certification for defense manufacturing open up significant opportunities in the defense sector, which is increasingly focusing on domestic suppliers.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

2. Rising Demand from Key Sectors:

- **Automotive Industry:** India is a major hub for automotive manufacturing, and with the shift toward electric vehicles (Evs), machine tool manufacturers can cater to new needs such as precision parts for batteries, motors, and other key components.
- **Aerospace and Defense:** With rising investments in defense and aerospace, there's growing demand for advanced machine tools for the production of highly precise components required in aircraft, weapons systems, and military vehicles.
- **Renewable Energy:** The increasing shift toward clean energy solutions (solar, wind, etc.) demands machinery for manufacturing components like wind turbines, solar panels, and other related equipment, providing another lucrative market for machine tools.

3. Technological Advancements:

- **Automation and Robotics:** The global trend of adopting automation, AI, and robotics in manufacturing is a significant growth opportunity for the machine tool industry. Indian manufacturers can upgrade their machines to incorporate AI-driven tools, CNC (Computer Numerical Control) machinery, and automation to meet global standards.
- **Industry 4.0:** The advent of Industry 4.0 technologies, such as IoT, smart factories, and data analytics, can help Indian manufacturers improve efficiency, reduce costs, and enhance product quality, making them more competitive globally.

4. Export Potential:

- As global markets seek alternative sources due to geopolitical tensions or supply chain disruptions (like the China-US trade war), Indian machine tool manufacturers have a golden opportunity to expand their exports, particularly to neighbouring countries and other emerging economies.

5. Skill Development and Training:

- As demand for more sophisticated machinery increases, there's an opportunity for skill development in the workforce. Developing a talent pool of highly skilled engineers, technicians, and machinists is a long-term growth opportunity for the sector.

6. Preference for Domestic High-Quality Machines:

- Due to cost advantages and improved quality standards, domestic manufacturers are increasingly preferred over imported alternatives. This trend is expected to benefit the Company's offerings significantly.

7. Defence Sector Prioritization:

- The success of indigenous equipment during Operation Sindoor has reinforced the Government's commitment to domestic sourcing. This policy shift is expected to create sustained demand for locally manufactured defence components and machinery.

8. Reserved Contracts for Indian Manufacturers:

- The Government of India has mandated that tenders below 250 Crores be reserved for Indian manufacturers. This policy is a major enabler for the Company's growth in both the machine tool and defence equipment segments.

9. Export Potential via Global OEMs:

- Once successfully deployed in Indian operations, global OEMs are likely to export these machines to their parent companies abroad, leveraging India's cost arbitrage and manufacturing capabilities.

10. Growth of SMEs:

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



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

11. Emerging Markets:

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

12. Low-Cost Manufacturing Hub:

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

Threats**1. Dependence on Imported Technology:**

- Technological Gaps: While India has strong potential in manufacturing, there are still technological gaps in comparison to global leaders like Germany, Japan, and South Korea. A heavy reliance on foreign technology and expertise in high-end machine tools remains a threat, making the industry vulnerable to fluctuations in global supply chains and trade policies.
- Intellectual Property (IP) Challenges: Foreign machine tool manufacturers often bring cutting-edge IP to the table, and India's ability to innovate or protect local IP is still developing, which could put Indian companies at a disadvantage..
- Quality Perception: Indian machine tools are sometimes viewed as lower-quality compared to international brands, which could limit their appeal in high-end industries like aerospace, defence, and automotive.

2. Supply Chain Disruptions:

- Geopolitical tensions (such as the Russia-Ukraine conflict) have exposed vulnerabilities in global supply chains. Any disruption in the supply of key raw materials, components, or high-precision tools from other countries could affect production timelines and quality.

3. Rising Raw Material Costs:

- The global rise in the cost of steel, aluminum, and other essential materials used in machine tool manufacturing has an impact on the cost structure for Indian manufacturers. Without the ability to pass on these costs to customers, it could erode profit margins.

4. Labor Issues:

- While there's an opportunity to develop skilled labor, the Indian machine tool industry still faces challenges related to labor shortages, especially in high-tech areas that require advanced skills. Additionally, labor unrest or strikes could disrupt production.
- Labor cost inflation and difficulties in attracting highly skilled professionals could also limit the potential for growth in advanced manufacturing.

5. Limited Financing:

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

6. Environmental and Sustainability Pressures:

- As industries globally focus on reducing their carbon footprint and adhering to stringent environmental norms, Indian machine tool manufacturers will face increasing pressure to meet these standards. This could lead to higher compliance costs and investment in green technologies.

Company Overview

Established in 1983 and commencing operations in 1985 in Hyderabad, Lokesh Machines Limited (LML) has established itself as a specialist in manufacturing CNC Machines and Special Purpose Machines, Auto components and Small arms. The company excels in producing Finish Cam & Crank Boring, Finish Barrel Boring, and Finish Joint Faces Milling machines besides the regular General Purpose machines. LML serves a diverse range of industries including automotive, agri-

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

implements, gas turbines, aerospace, defence, medical devices and railways. Renowned as a leading exporter of CNC machines, LML has built a robust global presence in markets such as Turkey, Italy, USA, the Middle East, etc. supported by a widespread dealer network spanning South Africa, Italy, Turkey, and Bahrain.

In collaboration with IIT Madras, LML continues developing cost-effective, cutting-edge technologies. After the launch of India's first Indigenous Laser-Based Direct Energy Deposition Hybrid Additive Manufacturing Machine in association with RRCAT, the company has now developed a couple of more cost effective solutions for the Metal Additive Manufacturing. The company continues to enhance its range of CNC Machines with cutting edge technologies that would help in import substitutes.

After an unforeseen setback last October due to the imposition of Sanctions by the US and the resultant slowdown in growth over two quarters, the company has since bounced back as evidenced in the last first quarter of this fiscal year. The machine tool orders have been increasing steadily with many customers actively supporting the company with business. Similarly the auto component division has also started seeing green shoots with businesses from new customers.

LML continues its focus on cost reduction, market expansion, diversification, product development, leadership investment, and continuous innovation. LML remains committed to strengthening core operations and exploring new growth avenues, ensuring a promising future.

Office of Foreign Control Assets ("OFAC Sanctions"):

On October 30, 2024, the Company was sanctioned by United States Office of Foreign Control Assets ("OFAC Sanctions"). Because of OFAC Sanctions, the Company's turnover has decreased to the extent of 22.18 % as compared to the last financial year.

Furthermore, starting from October 30, 2024, the Company was unable to enter into any foreign currency transactions.

The Company is in the process of getting its name removed from the sanction list of the United State Department of Treasury for which the Company through a US based law firm filed an application before Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC") for expedited removal/reconsideration of Designation on the list of Specially Designated Nationals and Blocked Persons on January 31, 2025 (EST).

In continuation of this, the Company, through its U.S.-based legal counsel, submitted the response to the questionnaire issued by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC") on August 20, 2025.

We assure our shareholders that the Company is taking all necessary measures to secure the removal of its name from the OFAC sanctions list. We believe this submission marks a significant step forward in that direction. The Company remains committed to keeping the exchange and our shareholders informed of all future developments in this matter.

Strategic Measures to Offset this OFAC Sanctions related setback:

The Company experienced a discontinuation of business with Mahindra & Mahindra, a key customer for the Auto Component Division and other general customers in the Machine Tool Division, due to compliance-related constraints arising from OFAC (Office of Foreign Assets Control) regulations. While this development posed a temporary challenge, the Company responded swiftly and strategically to mitigate the impact and realign its growth trajectory:

- **Leadership Strengthening:** Senior-level professionals were appointed across Production, Sales, and Procurement functions to enhance operational efficiency and drive strategic execution.
- **Customer Diversification and Order Growth:** The Company secured new orders from recently onboarded customers and received substantial repeat orders from existing clients, reflecting strong customer confidence and product reliability.
- **Product Portfolio Enhancement:** High-value machines were added to the product range to improve average sales value and enhance profit margins.
- **Expansion into Forgings Segment:** Multiple inquiries and initial orders were received from new customers in Pune for the supply of forgings, opening new avenues for growth.
- **Defence Sector Engagement:** The Company actively participated in defence tenders and anticipates significant orders in this segment, supported by favorable government policies and increased emphasis on indigenous manufacturing.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- **Infusion of Promoter Capital to Strengthen Liquidity**

During the financial year 2024–25, the Company infused a total capital of 15.56 Crores to bolster its liquidity position. This infusion was executed through the conversion of warrants into equity shares allotted to the Promoters. The move reflects the Promoters' continued confidence in the long-term growth trajectory of the Company and provides a robust financial foundation to support operational and strategic initiatives.

Segment-wise Performance**Machine Tools Division**

The first two quarters of the year started well with a healthy growth. However the imposition of sanctions had derailed the growth over the next two quarters. But thereafter, with renewed efforts by the company and its associates, the machine tool business started a quick recovery. The efforts of increasing the sales force and also entering new territories have helped in the recovery of sales. The Machine Tools Division is segmented into General Purpose Machines, Special Purpose Machines, and Automation. The General-Purpose category includes CNC Turning centers, Vertical Machining centers, Drill and Tap centers, Vertical Turning lathes, and Horizontal Machining centers. The Special Purpose segment comprises milling machines, drilling machines, boring machines, and transfer lines. In the Automation segment, LML offers gantry automation, robotic automation, 4th Axis automation, and customization of standard machines. The company has successfully expanded its presence in the non-automotive sector and expects this growth trend to continue. By consistently enhancing technological competencies and increasing cost competitiveness, LML is effectively broadening its market reach, making significant strides in both domestic and international markets.

Auto Component Division

The Component Division was entirely focused on supply of Niche Cylinder Blocks and Connecting Rods to Mahindra and Mahindra. Sanctions by OFAC had resulted in suspension of business by M&M. This has resulted in a near Zero business in the last quarter. The company has since approached several other customers and the results have been fruitful. Given the expertise and experience, several new customers have been onboarded and the company is now expanded its range of offerings besides the earlier products such as Cylinder Blocks and Connecting Rods.

Defense Division:

In the defense sector, LML has initially ventured into Small Arms with a portfolio including the 9x19 Sub Machine Gun and the 7.62x51 Light Machine Gun. The Ministry of Home Affairs, Government of India, has issued the license for the Commencement of Commercial Production for the manufacturing, proof-test, and sales of firearms. A state of the plant has been setup for manufacturing the small arms.

In September 2024, the company successfully delivered its first major consignment of 550 weapons to the Indian Army. It's a proud moment that the company is first in India in the private sector to have indigenously developed small arms and supplied to the Armed forces.

Further, intimation has been received from Department for Promotion of Industry and Internal Trade, Government of India, stating that the Licensing Committee has recommended for the grant of licence to Lokesh Machines Limited under the Arms Act, 1959 in Form VII for the manufacture of Fixed / Towed Heavy Machine Guns of caliber above 12.7mm and up to 30mm. The company is now working on the development of new weapon platforms.

Also, Director General of Quality Assurance (DGQA), Ministry of Defence, Government of India, has granted the Registration Certificate for manufacturing capacity/ capability for defence items. This will extend our existing product portfolio and enable us to manufacture defense products at our In-house facility.

These strategic initiatives underscore LML's commitment to enhancing its technological capabilities, maintaining cost efficiency, and expanding its market footprint across both automotive and defense sectors.

Outlook**Machine tool Division:**

Despite the earlier setbacks and the current geopolitical situation and other multitude of challenges, the company remains confident of its future and is poised for a significant growth. With new initiatives taken by the company and with a new senior management team at the helm, the company would continue its growth momentum. This would of course be supported by the increasing adoption of CNC technology and automation by the Indian industry, which is driving productivity and precision in

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

sectors such as power, agri sector, aerospace, defense, medical devices etc.... The automotive industry's resurgence, bolstered by a good monsoon and initiatives like the 'Production-Linked Incentives' and 'Vehicle Scrappage Policy,' is expected to boost the global competitiveness of the Indian market.. The efforts taken by the company will enable LML to meet rising demand and explore new opportunities in both automotive and non-automotive industries.

Auto Component Division:

Despite the OFAC setback and loss in the Mahindra Business, the company continued to pursue other customers as well as continue with its expansion in the manufacture of forgings. The results have been positive and with the on-boarding of new customers the operations are set to normalise in the months to come followed by a renewed growth in this division. The focus is now to cater to the EV space and the company has been successful in securing the orders in this space.

Defence Division:

After successfully delivering the 9x19 Machine Pistols to the Indian Army thus becoming the first company in the private sector to have delivered a 100% indigenous weapon to the armed forces, the company has been regularly participating in tenders. The results of most of these are expected to be unveiled soon and the company is confident of being successful in several of these tenders. Besides the weapons, the company has also developed allied precision components for in-service weapons and thereby successfully bagged an order for supply of precision assemblies to the Indian Army's MMG weapons. The company is confident that the steps undertaken would result in good tidings in the days to come for the defence division.

Financial Performance

During the financial year ended on March 31, 2025, the Company recorded Revenue from Operations of Rs.22,832.16/- lacs, as compared to Rs. 29,353.99/- lacs in 2023-24. Furthermore, during the financial year, the company has made profit after tax of Rs. 53.68 lacs as compared to Rs. 1384.79 lacs in 2023-24.

Particulars	Numerator	Denominator	2024-25	2023-24	% Variance	Reason for variance
(a) Current Ratio	Current Assets	Current Liabilities	1.36	1.41	-4%	Not Applicable
(b) Debt Equity Ratio	Debt	Equity	0.63	0.60	4%	Not Applicable
(c) Debt Service Coverage Ratio	EBITDA	Interest + Principal	1.08	1.82	-41%	Not Applicable
(d) Return on Equity Ratio	PAT	Average equity	0.26%	7.80%	97%	Refer Note – I
(e) Inventory turnover ratio	Revenue From Operations	Average Inventory	1.80	2.56	-30%	Refer Note – I
(f) Trade Receivables turnover ratio	Net sales	Average trade receivable	5.14	6.58	-22%	Not Applicable
(g) Trade payables turnover ratio	Net Purchases	Average trade payable	3.74	5.21	-28%	Refer Note – II
(h) Net capital turnover ratio	Net sales	Working capital	4.34	5.34	-19%	
(i) Net profit ratio	PAT	Net sales	0.24%	4.72%	-95%	Refer Note -I
(j) Return on Capital employed	EBIT	Average capital employed	4.71%	11.04%	-57%	Refer Note -I
(k) Return on investment	PAT	Average equity	NA	NA		

Note: i) Decrease in these ratios in FY 24-25 is on account of lower profitability due to lower turnover owing to sanctions from OFAC.

ii) Decrease in the Ratio in FY 24-25 is due to decrease in Purchases during the year.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Risks and Concerns

The machine tools industry is highly sensitive to global economic fluctuations, with a direct correlation between sales and manufacturing expenditures. Consequently, an economic downturn can lead to a significant revenue decline for the industry. Intense competition, particularly from new entrants in low-cost manufacturing regions, further pressures prices and margins. The sector is also heavily influenced by trends in the automotive industry, a major consumer of machinery. The cyclical nature of the automotive sector impacts demand for machine tools, affecting order volumes. Additionally, the industry faces challenges related to a shortage of skilled labor necessary for design, manufacturing, and maintenance, which can reduce productivity and increase labor costs. Lokesh Machines Limited is proactively addressing these risks by focusing on export orders and diversifying into non-automotive sectors, yielding positive results. The company has implemented effective risk management strategies, including identifying and prioritizing risks, streamlining mitigation measures, and regularly monitoring their effectiveness. This careful monitoring, combined with judicious caution and cutting-edge innovation, is crucial for maintaining margins in a competitive landscape.

The autocomponent industry is also cyclical in nature and is dependent in several macroeconomic forces both internal and external. Though the domestic market is robust, there could be short term impacts due to conditions such as drought, flooding, global economic outlook, introduction of newer technologies etc. Labor shortage is also a limiting factor in several regions. The company has been building effective mitigation plans against this by entering into areas with long term demand.

The defense business is entirely dependent on the central and state governments for the revenues. Although there is a great need for the modernization of the security apparatus and the actions are underway by the union government, the results might not be as fast as anticipated. Sometimes the delay in the procurement process gives way for changed scope of supplies and changed tender conditions. The company is keeping itself compact to swiftly deal with these requirements.

ESG Commitments

Lokesh Machines Limited (LML) is embarking on a dynamic future with a strategy focused on enhancing production capacities, boosting defence sector revenue, exploring new markets, and advancing ESG initiatives. Central to its vision is the effective use of increased production capabilities to improve efficiency and meet growing demand. LML plans to expand its defence Division by introducing new products and capitalizing on emerging opportunities, establishing itself as a key player in this sector.

The company also aims to broaden its market presence, both domestically and internationally, through new product launches and market expansion. Additionally, LML is committed to accelerating its ESG initiatives, integrating environmental, social, and governance principles to foster sustainable development and ethical practices. The company has been steadily increasing the green cover at some of its manufacturing locations at Hyderabad and Pune and has also been investing on STPs to recycle waste water and reuse the treated water to maintain the green cover. Significant measures have also been deployed to conserve electricity.

Internal Control Systems and Their Adequacy

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

Human Resources and Industrial Relations

Lokesh Machines considers its employees as its most valuable asset and places significant emphasis on fostering a positive work environment that encourages innovation and professional development. The company invests substantially in training its workforce, ensuring they are adept with the latest technologies essential for their roles. By integrating technological advancements into its production processes, Lokesh Machines achieves efficient and cost-effective production, crucial for its sustained success. As of March 31, 2025, the company employs a robust workforce (excluding directors) of 647 employees.

Cautionary Statement

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

ANNEXURE C

CORPORATE SOCIAL RESPONSIBILITY REPORT

For the Financial Year Ended March 31, 2025

1. Corporate Social Responsibility Policy Overview

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

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

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

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

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

2. Composition of CSR Committee (As on March 31, 2025)

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

*Notes:

- The second term for Mr. B.R. Mahesh, Independent Director, was concluded on September 29, 2024.
- Mr. Meka Yugandhar was appointed as Independent Director and Chairman of the company w.e.f. September 30, 2024.
- Mr. S. S. Raman, Independent Director, resigned on April 29, 2025
- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

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

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

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



ANNEXURE C
CORPORATE SOCIAL RESPONSIBILITY REPORT
For the Financial Year Ended March 31, 2025 (Contd.)

5.	(a)	Average Net Profit of the Company as per Section 135(5) of Companies Act, 2013	148,087,880.00
	(b)	2% of Average Net Profit of the last three financial years	29,61,758.00
	(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0.00
	(d)	Amount required to be set off for the financial year, if any	13,00,000.00
	(e)	Total CSR obligation for the financial year (b+c-d.)	1,661,758.00
6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):	6,00,985
	(b)	Amount spent in administrative overheads:	NIL
	(c)	Amount spent on Impact Assessment, if applicable:	NA
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	Rs. 6,00,985
	(e)	CSR amount spent or unspent for the Financial Year:	Rs 10,60,773

Total Amount Spent for the Financial Year. (INR)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer.
6,00,985	10,60,800	25.04.2025	National Security Guard (NSG) CSR Fund	50,000	30.06.2025

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

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

Note: During the financial year ending on March 31, 2023, the Company proposed to set off excess amount spent during that financial year to the extent of Rs. 32,50,000/-. Furthermore, during the previous financial year ended 31st March 2024, the company has set off Rs. 19,50,000/- and remaining 13,00,000/- is set-off during the current year ended 31st March, 2025.

ANNEXURE C
CORPORATE SOCIAL RESPONSIBILITY REPORT
For the Financial Year Ended March 31, 2025 (Contd.)

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

1	2	3	4	5	6		7	8
	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount	Date of Transfer		
1	FY-1	-	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

Place: Hyderabad
Date: August 12, 2025

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

Sd/-
Meka Yugandhar
(Chairperson CSR Committee)
DIN: 00012265



ANNEXURE D

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Code of Governance:

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

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

Your company confirms its compliance with corporate governance, the details of which are given below.

II. Board of Directors

Composition, Attendance and Meetings

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

As on March 31, 2025, the Company's Board comprises of 9 directors. Four are Executive Directors who are also promoters of the Company and three are Independent Directors and two are Non-Executive Directors including one Women Director.

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

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

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

During the year under review, seven Board Meetings were held on May 22, 2024, August 14, 2024, November 12, 2024, November 30, 2024, December 27, 2024, February 14, 2025 and March 28, 2025, with requisite quorum present throughout the meetings. Wherever required, the Company facilitates the participation of the Directors in Board / Committee meetings through video-conferencing or other audio-visual means.

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

The composition of the Board, designation, attendance particulars and the number of outside directorship and committee positions held by Directors of the Company as on March 31, 2025, are as follows:

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the Director/ (DIN)	Designation & Category	Attendance Particulars			No. of other Directorships and Committee memberships / Chairmanships held (Only in Listed and Unlisted Public Companies)		
		Board Meetings during his Directorship		Last AGM	Other Directorships	Committee memberships including this Company (Audit & Stakeholder Committee)	Committee Chairmanships including this Company (Audit & Stakeholder Committee)
		Held	Attended	Last AGM			
# B. R. Mahesh DIN :00810019	Chairman, Independent Non-Executive Director	2	2	Yes	-	1	-
M. Lokeswara Rao DIN :00989447	Promoter, Managing Director	7	5	Yes	1	-	-
B. Kishore Babu DIN: 00840630	Promoter, Whole Time Director	7	7	Yes	1	2	-
M. Srinivas DIN: 00917565	Promoter, Whole Time Director	7	6	Yes	1	1	-
# Meka Yugandhar DIN: 00012265	Independent Non-Executive Director	5	5	Yes		2	-
M. Srikrishna DIN: 00841388	Promoter, Whole Time Director	7	5	Yes	-	1	-
K. Krishna Swamy DIN: 00840887	Promoter, Non-Executive Director	7	5	No	-	-	-
# S.S. Raman DIN: 00214782	Independent Non- Executive Director	7	6	Yes	-	2	3
D. Balaji DIN: 01872392	Independent Non-Executive Director	7	6	Yes	-	1	-
M. Likhitha DIN: 08765043	Promoter, Non-Executive Director	7	6	Yes	-	1	-

Notes:

1. The second term for Mr. B.R. Mahesh, Independent Director, was concluded on September 29, 2024.
2. Mr. Meka Yugandhar was appointed as Independent Director and Chairman of the Board w.e.f. September 30, 2024.
3. Mr. S. S. Raman, Independent Director, resigned on April 29, 2025.

ANNEXURE D REPORT ON CORPORATE GOVERNANCE (Contd.)

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

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

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

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

Shareholdings of Non-Executive Directors as on March 31, 2025:

Mr. Meka Yugandhar, Mr. S.S. Raman and Mr. D. Balaji are the Non-Executive Independent Directors of the company and do not hold any shares in the Company.

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

Familiarization programme:

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

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

Skills, expertise, and competencies of the board:

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

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

ANNEXURE D REPORT ON CORPORATE GOVERNANCE (Contd.)

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

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

*Notes:

1. The second term for Mr. B.R. Mahesh, Independent Director, was concluded on September 29, 2024.
2. Mr. Meka Yugandhar was appointed as Independent Director and Chairman of the Board w.e.f. September 30, 2024.
3. Mr. S. S. Raman, Independent Director, resigned on April 29, 2025.

Independent Directors:

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

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

III. Audit Committee

a) Brief description of terms of reference

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

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

b) Composition

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



ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

As on March 31, 2025, the Committee comprises of:

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

*Notes:

1. The second term for Mr. B.R. Mahesh, Independent Director, was concluded on September 29, 2024.
2. Mr. Meka Yugandhar was appointed as Independent Director and Chairman of the Board w.e.f. September 30, 2024.
3. Mr. S. S. Raman, Independent Director, resigned on April 29, 2025

c) Meetings and attendance during the year

During the period under review Five Audit Committee Meetings were held dated May 22, 2024, August 14, 2024, November 12, 2024, December 27, 2024, February 14, 2024. The gap between the two Audit committee meetings was not more than 120 days.

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

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

*Notes:

1. The second term for Mr. B.R. Mahesh, Independent Director, was concluded on September 29, 2024.
2. Mr. Meka Yugandhar was appointed as Independent Director and Chairman of the Board w.e.f. September 30, 2024.
3. Mr. S. S. Raman, Independent Director, resigned on April 29, 2025

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

IV. Nomination and Remuneration Committee

a) Brief description of terms of reference

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel, Senior Management Personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges (as amended from time to time), this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been approved by the Board of Directors of the Company. The Nomination and Remuneration Committee and this Policy is in compliance with Section 178

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

*Notes:

1. The second term for Mr. B.R. Mahesh, Independent Director, was concluded on September 29, 2024.
2. Mr. Meka Yugandhar was appointed as Independent Director and Chairman of the Board w.e.f. September 30, 2024.
3. Mr. S. S. Raman, Independent Director, resigned on April 29, 2025

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

IV. Nomination and Remuneration Committee

a) Brief description of terms of reference

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel, Senior Management Personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges (as amended from time to time), this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been approved by the Board of Directors of the Company. The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Regulation 19 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Terms of reference and NRC Policy can be accessed at <https://www.lokeshmachines.com/images/9eab2559e13c991cd540583a0a5ca38f.pdf>

b) Composition

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

As on March 31, 2025, the Committee comprises of:

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

*Notes:

1. The second term for Mr. B.R. Mahesh, Independent Director, was concluded on September 29, 2024.
2. Mr. Meka Yugandhar was appointed as Independent Director and Chairman of the Board w.e.f. September 30, 2024.
3. Mr. S. S. Raman, Independent Director, resigned on April 29, 2025.
4. Mr. D. Balaji appointed as chairman w.e.f. July 08, 2025

c) Meetings and attendance during the year

During the period under review, only one meeting of the Nomination and remuneration committee was held on August 14, 2024.

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



ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

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

*Notes:

- The second term for Mr. B.R. Mahesh, Independent Director, was concluded on September 29, 2024.
- Mr. Meka Yugandhar was appointed as Independent Director and Chairman of the Board w.e.f. September 30, 2024.
- Mr. S. S. Raman, Independent Director, resigned on April 29, 2025

a) **Performance Evaluation criteria for Independent Directors**

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

I. **Stakeholders Relationship Committee**

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

As on March 31, 2025, the Committee comprises of:

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

*Notes:

- Mr. S. S. Raman, Independent Director, resigned on April 29, 2025
- Mr. D. Balaji appointed as chairman w.e.f. July 08, 2025

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

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

During the period under review one Shareholders Grievance Committee Meetings were held on August 14, 2024. The details of attendance of members of the Committee during the year are given below:

Sl. No.	Name of the Member	Number of meetings held during the tenure	Numbers of meetings attended
1.	Mr. S. S. Raman*	1	1
2.	Mr. B. Kishore Babu	0	0
3.	Mr. M. Srikrishna	1	1

*Notes:

- Mr. S. S. Raman, Independent Director, resigned on April 29, 2025

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

Compliance Officer

Mr. P. Kodanda Rami Reddy was appointed as Company secretary and compliance officer of the Company with effect from August 15, 2025. The designated e-mail id of the grievance redressal division of the company is cosecy@lokeshmachines.com.

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

Sl. No.	Particulars	Comments
1.	Number of shareholders' complaints received during the year ended March 31, 2025.	0
2.	Number of complaints not resolved to the satisfaction of shareholders	0
3.	Number of pending complaints at the end of the year	0

VI. Corporate Social Responsibility Committee

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

As on March 31, 2025, the Corporate Social Responsibility Committee consists of Six members namely:

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

*Notes:

- The second term for Mr. B.R. Mahesh, Independent Director, was concluded on September 29, 2024.
- Mr. Meka Yugandhar was appointed as Independent Director and Chairman of the company w.e.f. September 30, 2024.
- Mr. S. S. Raman, Independent Director, resigned on April 29, 2025

During the period under review one Corporate Social Responsibility Committee Meeting was held on March 28, 2025. The details of attendance of members of the Committee during the year are given below:

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



ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

VII. Senior Management:

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

Sl. No.	Name	Designation
1.	Mr. V. Sudhakar Reddy	Chief Financial officer
2.	Mr. C. Venkatanna	General Manager (P&IR)
3.	Ms. Jhimli Ghosh	Dy. General Manager – HR
4.	Mr. Gurprit Singh	Company Secretary & Compliance Officer
5.	Mr. Sandeep Avinash Dorle	Chief Operating Officer (COO)
6.	Mr. P.Kodanda Rami Reddy	Company Secretary & Compliance Officer

***Notes:**

1. Mr. Gurprit Singh, Company Secretary & Compliance Officer resigned w.e.f. August 14, 2025.
2. Mr. P. Kodanda Rami Reddy, appointed as Company Secretary & Compliance Officer w.e.f. August 15, 2025.
3. Mr. Sandeep Avinash Dorle appointed as Chief Operating Officer (COO) w.e.f. July 10, 2025.

VIII. Remuneration of directors

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

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

The details of sitting fees paid to all the Non-Executive Independent Directors for the year 2024-25 is given below:

Name of Director	Sitting Fees paid (In lakhs)
Mr. B. R. Mahesh	0.60
Mr. D. Balaji	1.00
Mr. S.S. Raman	0.70
Mr. Meka Yugandhar	1.20

***Notes:**

1. The second term for Mr. B.R. Mahesh, Independent Director, was concluded on September 29, 2024.
2. Mr. Meka Yugandhar was appointed as Independent Director and Chairman of the Board w.e.f. September 30, 2024.
3. Mr. S. S. Raman, Independent Director, resigned on April 29, 2025

b) Criteria of making payments to non-executive

Criteria of making payments to non-executive can be accessed on

Company website at <https://www.lokeshmachines.com/investment-center.php?key=policy>

c) Remuneration paid to Executive Directors

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

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

(In lakhs)

Name of the Director	Fixed Salary	Other Allowance	Commission	Total
Mr. M. Lokeswara Rao (Managing Director)	60.00	0	0	60.00
Mr. B. Kishore Babu Whole-time Director	72.00	0	0	72.00
Mr. M.Srinivas Whole-time Director	96.00	0	0	96.00
Mr. M. Srikrishna Whole-Time Director	96.00	0	0	96.00

Notes:

- The Company provides only remuneration in the form of salary to the Executive Directors of the Company and sitting fees to Non-executive Independent Directors as mentioned above in point no. VIII (a) & (c) of this report.
- The Company is only paying salary as fixed component and there are no performance linked incentives
- The appointment/re-appointment and other terms and conditions are approved by the Shareholders.
- During the year ending on March 31, 2025, the company has not granted any stock options to any Director of the Company. However, in the previous financial year, the Company had issued 15,00,000 warrants to the above directors and details are disclosed in the Directors Report.

IX. General Body Meetings:

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

Year	Type	Venue	Date	Time
2021-22	38th AGM	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	28/09/2022	11:00 A.M.
2022-23	39th AGM	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	28/09/2024	11:00 A.M.
2023-24	EGM/01/2024-24	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	04/12/2023	11:00 A.M.
2024-25	40th AGM	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	27/09/2024	11:00 A.M.

Special resolutions

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

AGM/EGM held on	Whether Special resolution passed	Summary of the resolution
28-09-2022	4	<ol style="list-style-type: none"> Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013. Adoption of Articles of Association as per the provisions of the Companies Act, 2013. To Appoint Mr. S. S. Raman (DIN: 00214782) as a Non-executive Independent Director. Approval for Continuation of Mr. K. Krishna Swamy (DIN: 00840887) as Non-Executive Director of the Company.



ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

28-09-2023	5	<ol style="list-style-type: none"> 1. Increase in borrowing limits from 100 crores to 200 crores or the aggregate of the paid-up capital, free reserves and securities premium of the Company, whichever is higher. 2. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings. 3. Revision in the remuneration of Mr. Mullapudi Lokeswara Rao (DIN: 00989447), Managing Director of the Company. 4. Approval for Continuation of Mr. K. Krishna Swamy (DIN: 00840887) as Non-Executive Director of the Company. 5. Ratification of Remuneration of Cost Auditors.
04-12-2023	3	<ol style="list-style-type: none"> 1. Increase in the authorized share capital and alteration of the capital clause in the memorandum of association of the company. 2. To create, offer, issue and allot equity shares on preferential basis. 3. To create, offer, issue and allot warrants on preferential basis
28-09-2024	5	<ol style="list-style-type: none"> 1. Increase in borrowing limits from 100 crores to 200 crores or the aggregate of the paid-up capital, free reserves and securities premium of the Company, whichever is higher. 2. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings. 3. Revision in the remuneration of Mr. Mullapudi Lokeswara Rao (DIN: 00989447), Managing Director of the Company. 4. Approval for Continuation of Mr. K. Krishna Swamy (DIN: 00840887) as Non-Executive Director of the Company. 5. Ratification of Remuneration of Cost Auditors.

Postal Ballot:

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

Special resolutions proposed to be conducted through Postal Ballot:

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

Procedure for Postal Ballot:

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

X. Means of Communication

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

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

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

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

XI. General Shareholder Information

a.	Registered Office (Address for correspondence)	B-29, EEIE, Stage II, Balanagar, Hyderabad- 500037, Telangana Phone: (040) 23079310 /311/312 /313, Email: cosecy@lokeshmachines.com
b.	Venue of Annual General Meeting	The 41 st AGM shall be held through Video Conferencing / Other Audio-Visual Means on September 26, 2025, at 11:00 A.M.
c.	Financial Year	April 01 to March 31
d.	Financial Calendar (Tentative)	a) Annual General Meeting: On September 26, 2025 b) Results for the quarter ending June 30, 2025 : 2nd Week of August 2025 c) Results for the quarter ending September 30, 2025 : on or before 2nd Week of November 2025 d) Results for the quarter ending December 31, 2025: on or before 2nd Week of February 2025 e) Results for the Year ending March 31, 2025: on or before 30th May, 2025
e.	Date of Book Closure (Both days inclusive)	September 20, 2025, to September 26, 2025 (Both days inclusive)
f.	Listing on Stock Exchanges	BSE Limited P.J. Towers, Dalal Street, Mumbai – 400001 National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051 Annual Listing fees have been paid for both BSE & NSE.
g.	Liquidity	The shares of the company are listed on BSE and NSE and are frequently traded.
h.	Stock Code / Symbol	532740(BSE), LOKESHMACH (NSE)
i.	Dematerialization of shares and liquidity	The Company's equity shares are available for dematerialization on both the Depositories i.e. 1. National Securities Depository Ltd Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013 2. Central Depository Services (India) Ltd Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013 The International Securities Identification Number (ISIN) allotted to the Company's Scrip is ISIN: INE397H01017. 99.99% of equity shares are held in dematerialized form as on March 31, 2025.
j.	Outstanding global depository receipts (GDR) or American depository receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity;	During the previous financial year ended on March 31, 2024, the Company has issued & allotted 6,00,000 Equity Shares of Rs 10/- each at a premium of Rs. 233.25/- on Preferential basis to non-promoters. In addition to above, the company has also issued & allotted 15,00,000 convertible warrants of Rs. 10/- each at a premium of Rs. 233.25/- on Preferential basis to the members of promoters/promoters group. During the financial year ended on March 31, 2025, 8,53,562 warrants have been converted into equity shares by the members of promoters/promoters group and because of that paid up equity share capital of the Company has increased by 8,53,562 equity shares. Furthermore, till date, remaining 6,46,438 warrants have also been converted into equity shares and because of that paid up equity share capital of the Company has increased by 6,46,438 equity shares. As on March 31, 2025, the paid-up equity Share Capital of the company is Rs. 1,935.03 and paid-up equity share capital on a fully diluted basis is Rs. 1999.67 Lakhs.



ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

k.	Credit Rating along with revision there of.	<p>During the year under review your Company has obtained the Credit Rating from Acuite Ratings & Research Limited & CARA Rating Limited which is as follows:</p> <p>Long-Term Rating: ACUI TE BBB Assigned Rating Watch with Negative Implications. Short-Term Rating: ACUI TE A3+ Reaffirmed Rating Watch with Negative Implications Long-Term Rating: CARE BBB Negative Short-Term Rating: CARE A3+ Reaffirmed</p> <p>Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") your Company has intimated to the stock exchanges the credit ratings, obtained.</p>
l.	Sanctions	<p>During the financial year ending on March 31, 2025, the Company's name was featured in the sanctions list of the United States Department of Treasury published on October 30, 2024. Further, the Company had informed the Stock Exchanges vide letter dated November 02, 2024, stating that the company is not aware of any machines being sold or having dealt with any sanctioned entities or individuals, which lead to the inclusion of Company's name in the list.</p> <p>Furthermore, due to OFAC Sanctions, during the period starting from October 30, 2024, to March 31, 2025, the Company was unable to enter into any foreign currency transactions.</p> <p>Further, the Company is in the process of getting its name removed from the sanction list of the United State Department of Treasury for which the Company through a US based lawyer firm filed an application before Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC") for expedited removal/reconsideration of Designation on the list of Specially Designated Nationals and Blocked Persons on January 31, 2025 (EST) and had also intimated to the Stock Exchanges vide letter dated February 01, 2025 (IST).</p> <p>During the quarter ended on March 31, 2025, in view of the OFAC sanctions and challenging macro-economic conditions, the company has taken certain cost cutting initiative and as a result of which, the Company is able to minimize the impact of sanctions on the operations of the Company.</p> <p>Furthermore, the Company has undertaken renewed strategic initiatives aimed at recouping the business. These measures have begun to yield positive outcomes, evidenced by the emergence of new opportunities and the on boarding of new customers.</p>
m.	Registrar and Share Transfer Agent's Contact Address	<p>Kfin Technologies Ltd. Selenium Building, Tower B, Plot No.31&32, Financial District, Nanakramaguda, Serilingampally, Hyderabad - 500 032 Phone: +91 40 67161 524 Toll Free No.: 1 800 3094 001 E-mail: einward.ris@kfintech.com Web Site: www.kfintech.com WhatsApp Number: (91) 910 009 4099 KPRISM(Mobile Application): https://kprism.kfintech.com/ KFINTECH Corporate Website: https://www.kfintech.com RTA Website: https://ris.kfintech.com Investor Support Centre (DIY Link): https://ris.kfintech.com/clientservices/isc Note: Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.</p>

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

n.	Share transfer system	SEBI vide its notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2019, notified that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository and came into effect from April 01, 2019. However, transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019, as per the clarification made by SEBI vide PR No.:12/2019 dated Mar 27, 2019. Therefore, transfers in physical form for those shares are registered by the Registrar and share Transfer Agents immediately on receipt of completed documents and certificates are issued within 7 days of the date of lodgment of transfer. A summary of transfer/transmission of securities, if any of the Company is placed at every Stakeholder's Relationship Committee.
o.	Details of Compliance Officer	P. Kodanda Rami Reddy Company Secretary and Compliance Officer Lokesh Machines Limited B-29, EEIE Stage-II Balanagar, Hyderabad-500 037, Telangana, India. Phone: (040) 23079310/11/12/13 CIN: L29219TG1983PLC004319 Email ID: cosecy@lokeshmachines.com
o.	Plant locations	<ul style="list-style-type: none"> Temple Road, Bonthapally, Medak District, Telangana B-25 & 36, EEIE, Stage II, Balanagar, Hyderabad-500037, Telangana. Plot No 41, IDA, Balanagar, Hyderabad – 500037, Telangana. Ravalkol Village, Medchal Mandal, RangareddyDist, Telangana. Sy.No.148, Kallakal Village, Manoharabad Mandal, Medak District, Telangana Plot No. D-260/1, MIDC Ranjangaon Industrial Area, Tal-Shirur, Dist-Pune, PIN-412220, Maharashtra.

Market price data

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

Monthly high and low quotations of equity shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for 2024-25 were as follows:

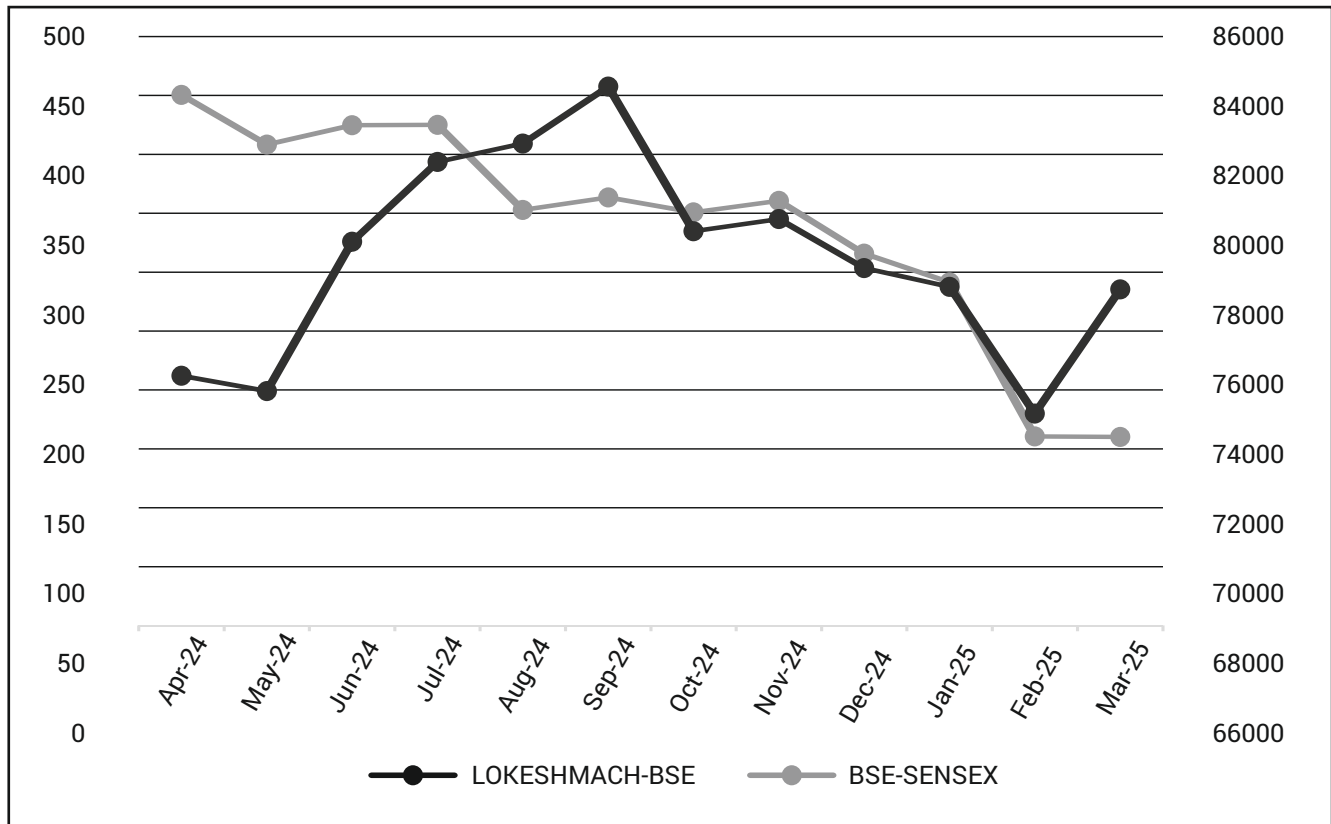
Market Price and Index Data High, Low during each month in the Last financial year				
Months	Lokesh Machines Ltd. (BSE)		Lokesh Machines Ltd. (NSE)	
	High	Low	High	Low
Apr-24	475	365.8	475.75	365.55
May-24	459.5	382.75	462.00	380.00
Jun-24	465.95	382.2	465.00	381.50
Jul-24	454.95	401.95	455.00	397.50
Aug-24	432.2	344	433.45	342.60
Sep-24	425.9	345.1	426.15	345.10
Oct-24	419.8	343.7	419.90	343.35
Nov-24	448	308.2	447.90	308.25
Dec-24	394	310.85	397.65	310.25
Jan-25	340	252.55	340.45	252.25
Feb-25	298.95	160.55	298.65	157.65
Mar-25	171	129.25	169.98	127.93



ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

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

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



Distribution of shareholding with various categories as on March 31, 2025

Category	No of Cases	% of Cases	Total Shares	% shares	Amount	% of Amount
1-5000	23196	90.24	2138662	11.15	21386620	11.56
5001- 10000	1274	4.96	1017919	5.31	10179190	5.50
10001- 20000	618	2.40	930534	4.85	9305340	5.03
20001- 30000	202	0.79	510362	2.66	5103620	2.76
30001- 40000	113	0.44	403709	2.11	4037090	2.18
40001- 50000	62	0.24	287625	1.50	2876250	1.56
50001- 100000	133	0.52	944731	4.93	9447310	5.11
100001& Above	107	0.42	13116790	63.96	131167900	66.30
Total	25705	100	19350332		193503320	100

Un-claimed dividend to Investor Education and Protection Fund

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

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

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

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

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

Corporate Ethics:

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

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

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

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

Shareholding pattern as on March 31, 2025

Category	No. of shareholders	No. of Shares	% of Shareholding
Indian promoters	23	10,09,8709	52.19
Resident Individuals	24640	80,21,628	41.45
Bodies Corporates	138	6,36,210	3.29
H UF	575	3,13,622	1.62
Non-resident Indians	333	2,14,435	1.11
I EPF	1	54,728	0.28
Key Management Personnel	1	11,000	0.06
Total	25710	1,93,50,332	100.00



ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

XII. Other Disclosures

Related Party Transactions

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

Disclosure of Accounting Treatment:

In the preparation of financial statements, the Company has adopted "IND AS" with effect from April 1, 2017. Accordingly, the financial statements for the year 2024-25 have been prepared in Compliance with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of Companies Act, 2013.

Details of non-compliance during the last three years etc

S. No.	Financial Year	Details of Non-compliance	Penalty Levied	Directors Comment
1.	2022-23	-	-	-
2.	2023-24	-	-	-
3.	2024-25	-	-	-

During the financial year 2024-25, there is no non-compliance of any of the Corporate Governance requirement under SEBI LODR, 2015 or the Companies Act, 2013.

The necessary disclosures of compliance with Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied. The Company has complied with all mandatory requirements.

Whistle Blower /Vigil Mechanism:

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

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

<https://www.lokeshmachines.com/images/19319bd2a3e04a5ca2d5de6d142a6df5.pdf>.

Utilization of funds raised through preferential allotment

Your Company raised funds by issuing Equity Shares and Warrants by way of preferential allotment in accordance with the provisions of the Companies Act, 2013 and SEBI (ICDR) Regulations, 2018.

The details of amount raised, and utilization of such funds are as follows:

Details of amount raised

(In Crore)

Type of Security	Total amount raised	Already received towards subscription	Pending receipt
Equity Share	14.59	14.59	-
Warrants	36.49	36.49	-
Total	51.08	51.08	-

ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

Details of amount spent

(In Crore)

Objects specified in Offer Letter	Amount Spent	Deviation
Towards repayment of unsecured loans	9.00	No
Towards capital expenses	27.00	No
Towards working capital	15.08	No
Total	51.08	No

Certificate from Practicing Company Secretary:

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

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

Annexure D1

Fees paid to Statutory Auditor on a consolidated basis:

During the financial year ending on March 31, 2025, the Company paid Rs. 5,00,000/- (Rupees Five Lakh Only) to its statutory auditor, as indicated in the financial statements. The fees paid to the Statutory Auditor of the Company have been included in the financial statements and are also a part of this report.

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

Sexual Harassment at workplace:

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

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



ANNEXURE D
REPORT ON CORPORATE GOVERNANCE (Contd.)

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

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

S. No.	Details	Comments
1	The Board- A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.	The Company has appointed a Non-executive Independent Chairman and sitting fees within the limit prescribed under the Companies Act, 2013 read with rules made thereunder is being paid to the Chairman.
2	A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	The Company will consider implementing this non-mandatory requirement in the coming years.
3	The listed entity may move towards a regime of financial statements with unmodified audit opinion.	During the financial year 2024-25, the Statutory Auditors have issued the Statutory Audit Report or Limited Review Report as the case may be with unmodified Audit opinion.
4	Separate posts of Chairperson and the Managing Director or the Chief Executive Officer	The Company has appointed a separate Chairperson who is a Non-executive Independent Director and is not related to the Managing Director.
5	The internal auditor may report directly to the audit committee.	The Quarterly Internal Audit Report is being directly placed before the Audit Committee and before the same is placed before the Board.

Code of Conduct

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

All directors and senior management personnel have affirmed compliance with the code of conduct and submitted declarations on this behalf for the year ended March 31, 2025. The same is attached as Annexure D3.

Compliance Certificate from Auditors or Company Secretary:

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

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

During the year the Company did not give any loans of advances to any firm/company in which the Directors of the Company are interested.

Details of material subsidiaries of the listed entity - The Company does not have any subsidiaries.

Disclosure of certain types of agreements binding listed entities

There are no agreements that require disclosure under Clause 5A of Paragraph A of Part A of Schedule III of the of the SEBI LODR which have an impact on the management or control of the listed entity or create any liability on the listed entity during the FY 2024-25.

Committee(s) recommendation not accepted/considered by Board

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

Disclosures of the compliance with corporate governance requirements

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

ANNEXURE D1

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

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

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

I, L. Dhanamjay Reddy, Practicing Company Secretary, proprietor of L.D.Reddy & Co., Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of Lokesh Machines Limited (CIN L29219TG1983PLC004319) having its Registered office at B-9, EEIE, Stage II, Balanagar, Hyderabad Telangana- 500037 (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the financial year ended on March 31, 2025.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2025:

List of Director of the Company as on March 31, 2025:

S.No.	DIN	Full Name	Designation
1	00989447	LOKESWARA RAO MULLAPUDI	Managing Director
2	00841388	SRIKRISHNA MULLAPUDI	Wholetime Director
3	00917565	SRINIVAS MULLAPUDI	Wholetime Director
4	00840630	KISHORE BABU BOLLINENI	Whole-time Director
5	00012265	YUGANDHAR MEKA	Director
6	01872392	DORAIRAJAN BALAJI	Director
7	00214782	RAMAN SEKHARIPURAM SESHADRI	Director
8	00840887	KRISHNA SWAMY KALLAHALLA	Director
9	08765043	LIKHITHA MULLAPUDI	Director

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

L. Dhanamjay Reddy
(Proprietor)
CP. No.3752

Date : 04.08.2025
Place : Hyderabad

UDIN: A013104G000925895



ANNEXURE D2

PRACTISING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance by Lokesh Machines Limited (CIN L29219TG1983PLC004319) for the year ended on March 31, 2025 as stipulated under Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations, made by the Directors and the management, we certify that the company has complied with the conditions of corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.

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

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

L. Dhanamjaya Reddy
(Proprietor)
M. No. 13104
CP No. 3752
PR: 1262/2021
UDIN No: A013104G000925917

Date : 04.08.2025
Place : Hyderabad

ANNEXURE D3

DECLARATION FOR CODE OF CONDUCT

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under Para D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with stock exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the aforesaid Code of Conduct as applicable to them for the financial year ended March 31, 2025.

For Lokesh Machines Limited

Place : Hyderabad
Date : 31.03.2025

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



ANNEXURE D4

CEO AND CFO CERTIFICATION

To
The Board of Directors
Lokesh Machines Ltd
Hyderabad

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

- A. We have reviewed the financial statements and the cash flow statements for the financial year ended on March 31, 2025, and that to the best of our knowledge and belief:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee, wherever applicable,
- 1) Significant changes in internal control over financial reporting during the year;
 - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Lokesh Machines Limited

Place: Hyderabad
Date: May 28, 2025

Sd/-
V. Sudhakara Reddy
CFO

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

ANNEXURE E

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

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

Name of the Director	Ratio to Median remuneration
Mr. M Lokeswara Rao	16.98
Mr. B Kishore Babu	20.37
Mr. M. Srinivas	27.16
Mr. M. Srikrishna	27.16

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

Name of the Director/Chief Financial Officer/ Chief Executive Officer/Company Secretary/Manager	*Percentage of increase in remuneration
Mr. M Lokeswara Rao	0.00
Mr. B Kishore Babu	33.33
Mr. M Srinivas	23.07
Mr. M Srikrishna	23.07
Mr. V Sudhakara Reddy	16.67
Mr. Gurprit Singh	27.25

- iii. The percentage increase in the median remuneration of employees in the financial year: 16.68%
- iv. The number of permanent employees(excluding directors) on the rolls of company as on March 31, 2025:
- v. Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentage increase in managerial Remuneration: 20.57%

Average percentage increase in salaries of employees other than managerial personnel: 11.93%

The Managerial remunerations are generally increased after every three years as compared to the remuneration of non-managerial remuneration. There were no exceptional circumstances for increase in the managerial remuneration.

Note: Further, in order to calculate average percentage increase in salaries of employees other than managerial personnel, we have taken average increase in remuneration of all non-managerial remuneration since there is change name and number of employees during the financial year ended on March 31, 2025 as compared to financial year ended on March 31, 2024.

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

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

For & on behalf of the Board
For Lokesh Machines Limited

Place: Hyderabad
Date: August 12 2025

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

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



ANNEXURE E (Contd.)

Top Ten Employees in terms of remuneration as on March 31, 2025

S. No.	Name	Designation	Remuneration	Nature of employment	Qualifications and Experience	Date of commencement of employment	Age	Last Employment	Percentage of Equity Shares held	Relation with any Director or Manager
1	Mr. Kishor Pandhare	Plant Head Pune	531283	Permanent	Masters of Engineering - Mechanical, MBA with 34 years of experience	03-05-2021	57	Cummins & Bobst India Limited	Nil	No
2	Mr. Sudhakar Reddy Valmeti	Chief Financial Officer	300000	Permanent	M.Com, FCA with 25 years of experience	01-01-1999	57	Not Applicable	0.06	No
3	Mr. Kankatala Satyanarayana Murthy	Plant Head Medchal	233999	Permanent	B.Tech	17-04-2021	57	L&T Valves Ltd	Nil	No
4	Mr. Nimmagadda Sada Siva Rao	Associate Vice President -R&D	198876	Permanent	M.B.A.	03-01-2023	52	HMT Machine Tools Ltd	Nil	No
5	Mr. N. Surendra Babu	Vice President Designs	185000	Permanent	Bachelor of Engineering, Masters of Science S. (M/c Design) with overall 45 years of experience	02-12-2015	69	HMT Machine Tools Ltd	0.00	No
6	Mr. Sudhakar Krishna Murthy Vellore	D.G.M. - Production Toopran	164717	Permanent	Post Diploma & Diploma in Mechanical Engineering	23-05-2023	56	Mahindra & Mahindra	Nil	No
7	Mr. Talam Ramesh	D.G.M. GPM Desgins	162268	Permanent	B. Tech	19-10-2018	48	Kennametal India Ltd	Nil	
8	Mr. Meesala Napoleon Melvic	D.G.M.- Marketing	139501	Permanent	Diploma in Mechanical Engineering with 30 years of experience	01-03-1996	53	Not Applicable	No	No
9	Mr. M.Gopi Krishna	D.G.M. Purchase (GPM)	134000	Permanent	Bachelor of Engineering with more than 16 years of experience	06-10-2007	52	Not Applicable	Nil	No
10	Mr.S.Naga Bhushanam	DG.M.- Toopran Plant	132250	Permanent	D.M.E	09/11/2023	50	Gowra Aero Space	Nil	No

ANNEXURE F

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

A. Conservation of Energy

- i) The steps taken or impact on conservation of energy: It is our continuous endeavor to implement the best practices in areas of energy conservation. Several measures have been taken in optimizing usage of compressed air and rationalization of power usage.
- ii) The steps taken by the company for utilizing alternate sources of energy: NIL.
- iii) The capital investment on energy conversion equipment's: NIL

B. Technology Absorption:

During the year under review, the Company has not done any technological absorptions.

C. Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company:

Machines Tools:

- a) 5 - Axes CNC Simultaneous Milling Machine (Model: VFL5): Machine already productionised.
- b) 5 - Axes CNC Turn Mill Center (Model: L565): Machine already productionised.
- c) Double Turret Vertical Lathe (Model: DTVL 350): Machine already productionised
- d) CNC Vertical Machining Center with BT40 & BT50 Spindle (Model:VMD1200): Machine already productionised.
- e) Thermally Stable 5-Axes Vertical Machining Center is under design in association with AMTDC Chennai.
- f) CNC Vertical Turning Lathe - 900 & 1000 (Turret version): Machine is under development.
- g) CNC Double Column Plano Milling Machine: Machine is under development.

Defence Projects:

- a) 9x19 mm Concealable Carbine (ASMI)
- b) MMG Upgrade kit with Mounting Tripod
- c) 7.62x51 mm Light Machine Gun (LMG)
- d) 7.62x51 mm General Purpose Machine Gun (GPMG)
- e) 7.62x51 mm Medium Machine Gun (MMG)

The above products development is completed and Production ready.

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

- a) The addition of CNC VTL 900 & 1000 in VTLs category will enhance Vertical Turning lathe family with more options in Rotary tables size range selection and help the company to reach out a new segment of users.
- b) The addition of 5 - Axes capable Turn mill center and Milling Machine will show case the company capabilities on par with global development in this field.
- c) The addition of Double Turret Vertical Lathe and CNC vertical Machining Center will improve our capability to meet very special market segment with precision and productivity demands.
- d) All of the above would contribute to an increase in top line and bottom line for the company as they are higher valued machines.
- e) Similarly, the rapid development of Small Arms listed above have greatly enhanced the product offerings thus enabling us to be ready to cater for any tenders by the Indian Armed Forces or CAPFs. In fact the company has already received orders against the MMG Upgrade kit worth Rs. 17 Crores and is expected to receive repeat orders for this product.

**3. Future plan of action:**

- a) Commercialization of above products.
- b) Launch of 5 - Axes Machine
- c) Launch of Bigger size Horizontal Machining Centers
- d) Launch of Double column Plano Miller
- e) Venturing into Industry 4.0 segments like Additive Manufacturing Machines.
- f) Developing new weapon platforms.

4. Expenditure incurred on R & D:

(In Lakhs)

- a) Capital : NIL
- b) Recurring : 46.50
- Total : 46.50
- c) Total R & D expenditure as a percentage of total turnover
- D. Foreign Exchange Earnings and Outgo

(In Lakhs)

- (i) Foreign Exchange Earnings : 858.86
- (ii) Foreign Exchange Outgo:
 - (a) For Capital Goods : 377.42
 - (b) For Stores & Components on FOB basis : 450.83
 - (c) Towards Foreign Travel : 16.60

ANNEXURE G

Particulars of contracts / arrangements made with related parties

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2025, which were not at arm's length basis.

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

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2025.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: May 28, 2025

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of LOKESH MACHINES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **LOKESH MACHINES LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter:

We draw attention to Note 47 of the financial statements, which describes that the Company's name was included in the sanctions list of the United States Department of the Treasury on October 30, 2024. Consequent to the sanctions, the Company was unable to enter into foreign currency transactions during the period from October 30, 2024 to March 31, 2025, and has undertaken cost-cutting and strategic initiatives to mitigate the impact on its operations. As stated in the note, the Company has filed an application with the Office of Foreign Assets Control, U.S. Department of the Treasury, for removal of its name from the said list, and the matter is under consideration. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian

INDEPENDENT AUDITOR'S REPORT (Contd.)

Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India.

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

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



INDEPENDENT AUDITOR'S REPORT (Contd.)

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

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account,
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act,
 - f) With respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements.
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

INDEPENDENT AUDITOR'S REPORT (Contd.)

- b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- v. The Company had not declared or paid any dividend during the year under Report.
- vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

(K.SHRAVAN)

Partner

Membership No.215798

UDIN:25215798BMYXM9235

Place: Hyderabad
Date:28.05.2025



ANNEXURE - A TO THE AUDITOR'S REPORT:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of **LOKESH MACHINES LIMITED**, for the year ended March 31, 2025.,

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. The Company has a regular program of physical verification of its property, plant and equipment, and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
 - d. The company did not revalue its Property, Plant and Equipment or intangible assets during the year. Accordingly, paragraph 3 (i)(d) of the Order is not applicable.
 - e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of benami Property Transactions Act, 1988 and rules made thereunder
- ii.
 - a. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
 - b. In our opinion and according to the information and explanation given to us and the records of the Company examined by us during the course of the audit, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.
- iii. During the year the Company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)(f) of the said Order are not applicable for the year under report.
- iv. The Company has not given any loans or made any investments or given any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, clause 3 (iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii.
 - a. According to the records, the company is regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2025 for a period of more than six months from the date they became payable.
 - b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute except the following.

ANNEXURE - A TO THE AUDITOR'S REPORT:

Name of the Statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which amount related	Forum where dispute is pending
Goods and Service Tax Act, 2017	Goods and Service Tax	187.23	FY 2017-19	First Appellate Authority
Finance Act, 1994	Service Tax	83.59	FY 2008-13	CESTAT
Central Excise Act, 1944	Excise Duty	83.18	FY 2017-18, FY 2012-13 and FY 2013-14	CESTAT

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c. The term loans were applied for the purpose for which the loans were obtained;
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. The company does not have subsidiaries, associates or joint ventures. Hence clause 3(ix) (e) of the above mentioned Order is not applicable;
- f. The company does not have subsidiaries, associates or joint ventures. Hence clause 3(ix) (f) of the above mentioned Order is not applicable
- x. a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3 (x)(a) of the Order is not applicable.
- b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of equity shares upon conversion of warrants to the promoters during the year under review. In our opinion, the Company has complied with the requirements of Sections 42 and 62 of the Companies Act, 2013, to the extent applicable, and the funds so raised have been used for the purposes for which they were raised.
- xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
- b. We have considered the reports of the Internal Auditors for the period under audit.;
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



ANNEXURE - A TO THE AUDITOR'S REPORT:

- xvi. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable;
- xvii. The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.
- xviii. There is no resignation of statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a. According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b. In respect of ongoing projects, the remaining unspent Corporate Social Responsibility (CSR) amount has been transferred to special account, in compliance with the provisions of sub-section (6) of section 135 of the said Act.
- xxi. The Company does not have subsidiaries, associates or joint ventures. Hence clause 3 (xxi) of the said Order with regard to qualifications or adverse remarks in CARO reports of the companies included in the consolidated financial statements, is not applicable.

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

(K.SHRAVAN)
Partner
Membership No.215798
UDIN:25215798BMYXM9235

Place: Hyderabad
Date:28.05.2025

ANNEXURE – B TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls with reference to financial statements of LOKESH MACHINES LIMITED ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.



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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

(K.SHRAVAN)
Partner
Membership No.215798
UDIN:25215798BMYXM9235

Place: Hyderabad
Date:28.05.2025

BALANCE SHEET

AS AT MARCH 31, 2025

(₹. In lakhs)

Particulars	Note No	As at March 31, 2025	As at March 31, 2024
ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4A	19,930.78	16,645.30
(b) Capital Work-in-Progress	4B	583.38	1,585.03
(c) Right of Use Asset	5	383.14	389.70
(d) Intangible Assets	6A	45.50	55.66
(e) Intangible Assets Under Development	6B	131.66	51.87
(f) Financial Assets			
(i) Investments	7	149.25	130.00
(ii) Other Financial Assets	8(a)	206.18	195.72
(g) Income Tax Assets(net)	9	356.22	0.00
(h) Other Non-Current Assets	10	955.05	1,244.67
Total Non-Current Assets		22,741.16	20,297.95
2 CURRENT ASSETS			
(a) Inventories	11	13,692.23	11,745.20
(b) Financial Assets			
(i) Trade Receivables	12	4,039.40	4,839.58
(ii) Cash and Cash Equivalents	13	17.50	21.17
(iii) Bank Balances other than (ii) above	14	915.29	827.64
(iv) Other Financial Assets	8(b)	148.21	138.86
(c) Other Current Assets	15	1,232.73	1,187.59
Total Current Assets		20,045.36	18,760.04
TOTAL ASSETS		42,786.52	39,057.99
EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share capital	16	1,935.03	1,849.68
(b) Other Equity	17	19,346.94	17,749.50
Total Equity		21,281.97	19,599.18
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18(a)	5,118.75	4,530.28
(b) Provisions	19	437.57	560.28
(c) Deferred Tax Liabilities (Net)	20	1,164.22	1,101.15
Total Non-Current Liabilities		6,720.54	6,191.71
3 CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18(b)	8,254.70	7,274.51
(ii) Trade payables	21		
a) Total outstanding dues of Micro and Small Enterprises		291.62	328.10
b) Total outstanding dues of other than Micro and Small Enterprises		3,332.06	3,334.41
(iii) Other Financial liabilities	22	731.34	503.09
(b) Other current liabilities	23	2,163.68	1,785.59
(c) Income Tax Liabilities (net)	24	0.00	41.40
(d) Provisions	25	10.61	0.00
Total Current liabilities		14,784.01	13,267.10
TOTAL EQUITY AND LIABILITIES		42,786.52	39,057.99
Material Accounting Policies			
See accompanying notes to the financial statements	1-3		

As per our report of even date attached

For and on behalf of the Board

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

M.LOKESWARA RAO
Managing Director
DIN : 00989447

M.SRINIVAS
Director
DIN : 00917565

K Shravan
Partner
Membership No.:215798
Place:Hyderabad
Date:May 28, 2025

V.SUDHAKARA REDDY
Chief Financial Officer

GURPRIT SINGH
Company Secretary

**STATEMENT OF PROFIT AND LOSS**

FOR THE YEAR ENDED MARCH 31, 2025

(₹. In lakhs)

Particulars	Notes No	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME			
I Revenue from Operations	26	22,832.16	29,353.99
II Other Income	27	147.31	168.18
III Total Income (I+II)		22,979.47	29,522.17
IV EXPENSES			
Cost of Material Consumed	28	13,454.92	17,115.10
Changes in Inventories of Finished Goods and Work in Progress	29	(1,776.94)	(377.09)
Other Manufacturing Expenses	30	2,661.22	2,826.49
Employee Benefits Expense	31	5,315.92	5,407.11
Finance Cost	32	1,517.92	1,147.96
Depreciation and Amortization Expenses	33	1,387.07	997.14
Other Expenses	34	1,676.16	1,831.91
		24,236.27	28,948.62
Less : Captive Consumption		1,345.81	1,481.78
Total Expenses		22,890.46	27,466.84
V Profit before exceptional items and tax (III-IV)		89.01	2,055.33
VI Exceptional items : (Income) /Expense -Net		0.00	0.00
VII Profit before tax		89.01	2,055.33
VIII Tax Expenses			
- Current Tax		0.00	372.13
- Provision for earlier years tax		0.00	103.68
- Deferred Tax (credit)/ charge		35.33	194.73
Total Tax Expenses		35.33	670.54
IX Profit for the year (VII-VIII)		53.68	1,384.79
X Other Comprehensive income			
i Items that will not be reclassified subsequently to profit or loss		99.73	(66.38)
ii Income tax relating to items that will not be reclassified to profit or loss		(27.74)	18.46
Other comprehensive income for the year		72.00	(47.92)
Total Comprehensive income for the year (IX + X)		125.68	1,336.87
Earning per equity share (Amount in Rs.)			
Basic & Diluted	35	0.28	7.68
Material Accounting Policies			
See accompanying notes to the financial statements	1-3		

As per our report of even date attached

For and on behalf of the Board

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

M.LOKESWARA RAO
Managing Director
DIN : 00989447

M.SRINIVAS
Director
DIN : 00917565

K Shravan
Partner
Membership No.:215798

V.SUDHAKARA REDDY
Chief Financial Officer

GURPRIT SINGH
Company Secretary

Place:Hyderabad
Date:May 28, 2025

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2025

(₹. In lakhs)

A.Equity Share Capital	
As At April 1, 2023	1,789.68
Changes in equity share capital during the year	60.00
As At April 1, 2024	1,849.68
Changes in equity share capital during the year	85.36
As at March 31, 2025	1,935.04

B.Other Equity							(₹. In lakhs)
Particulars	Capital Redemption Reserve	Security Premium	General Reserves	Retained Earning	Money Received against Share warrants	Remeasurement of defined benefit plan	Total
Balance as at April 01,2023	150.00	7,388.31	425.00	6,211.77		(67.27)	14,107.81
Profit for the Year				1,384.79			1,384.79
Addition during the year		1,392.63			912.19		2,304.82
Other comprehensive income for the year						(47.92)	(47.92)
Balance as at March 31,2024	150.00	8,780.94	425.00	7,596.56	912.19	(115.19)	17,749.50
Profit for the Year				53.68			53.68
Addition during the year		1,990.83			1557.22		3548.05
Conversion of warrants into equity shares					(2076.29)		(2076.29)
Other comprehensive income for the year						72.00	72.00
Balance as at March 31, 2025	150.00	10,771.77	425.00	7,650.24	393.12	(43.19)	19,346.94

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

- Capital Redemption Reserve** : Created on redemption of preference shares and it can be utilized as per section 63 of the Companies Act, 2013
- Security premium** : Premium received on issue of equity shares credited to security premium and it can be utilized as per section 63 of the Companies Act, 2013
- General reserve**: Reserve is created from time to time by transfer of profits from retained earnings and it can be utilized as per section 63 of the Companies Act, 2013
- Retained earnings**: Retained earnings are accumulation of profits earned by the company and it can be utilized as per section 63 of the Companies Act, 2013

"Material Accounting Policies

See accompanying notes to the financial statements"

"Note 1-3"

As per our report of even date attached

For and on behalf of the Board

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

M.LOKESWARA RAO
Managing Director
DIN : 00989447

M.SRINIVAS
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K Shravan
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Membership No.:215798

V.SUDHAKARA REDDY
Chief Financial Officer

GURPRIT SINGH
Company Secretary

Place:Hyderabad
Date:May 28, 2025

**CASH FLOW STATEMENT**

FOR THE YEAR ENDED MARCH 31, 2025

(₹. In lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	89.01	2,055.33
Adjusted for		
Depreciation	1,387.07	997.14
Financial Charges	1,517.92	1,147.96
(Profit)/Loss on Sale of property, Plant & Equipment	(0.11)	(1.41)
Fair value changes of financial instruments	(19.25)	10.00
Bad Debts / Provision for ECL	75.77	76.07
Interest Income	(106.01)	(85.43)
Operating profit before working capital changes	2,944.40	4,199.66
Adjustment for changes in		
Decrease/(Increase) in Receivables & Other advances	935.77	(1,170.91)
Decrease/(Increase) in Inventories	(1,947.02)	(515.23)
Decrease/(Increase) in Trade and other payables	555.15	(563.18)
Cash generated from operations	2,488.29	1,950.34
Direct taxes paid	(397.62)	(206.30)
Net Cash Flow from Operating Activity (A)	2,090.67	1,744.04
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including CWIP and capital advances	(3,734.37)	(5,910.25)
Proceed from sale of Property, Plant and Equipment	0.51	2.12
Interest received	119.32	106.62
Movement in other bank balances	(87.65)	(155.50)
Net Cash Flow from Investing Activity (B)	(3,702.19)	(5,957.01)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Bank Borrowings	1,570.11	2,990.55
Proceeds from issue of shares with premium	1,557.13	1,452.63
Money received against share warrants (25% advance)	-	912.19
Dividend paid	-	(0.81)
Interest paid	(1,519.38)	(1,142.23)
Net Cash Flow from Financing Activity (c)	1,607.86	4,212.33
Net Increase/(Decrease) in Cash/Cash equivalents (A+B+C)	(3.67)	(0.64)
Add: Cash/Cash equivalents at the beginning of the year	21.17	21.81
Cash/Cash equivalents at the end of the year	17.50	21.17

As per our report of even date attached

For and on behalf of the Board

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

M.LOKESWARA RAO
Managing Director
DIN : 00989447

M.SRINIVAS
Director
DIN : 00917565

K Shravan
Partner
Membership No.:215798

V.SUDHAKARA REDDY
Chief Financial Officer

GURPRIT SINGH
Company Secretary

Place:Hyderabad
Date:May 28, 2025

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

1. CORPORATE INFORMATION:

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

These Financial Statements were approved by the Board of Directors and authorized for issue on – **May 28, 2025**.

2. BASIS OF PREPARATION:

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

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

Functional and Presentational currency:

The financial statements are presented in INR which is the functional currency of the company and all the values are rounded off to the decimals to the nearest lakhs as per the requirement of Schedule III of The Companies Act, 2013 except where otherwise indicated.

3. MATERIAL ACCOUNTING POLICIES:

a) Statement of Compliance:

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

b) Critical Accounting Estimates and Judgments

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

The areas involving critical estimates or judgments are –

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

c) Current Vs Non-current classification:

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

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

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

All other assets are classified as non-current assets.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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

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

All other liabilities are classified as non-current.

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

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

d) Property, Plant and Equipment:

Property, plant, and equipment are stated at cost net of input tax credits, less accumulated depreciation, and accumulated impairment losses, if any. Cost comprises the purchase price and all attributable cost, to bring the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take a substantial period to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to use.

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

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

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

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

Estimated useful lives of the assets are as follows:

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

e) Intangible Assets:

Computer software:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

Other Intangible Assets:

Internally generated intangible assets:

Research and development expenditure:

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally generated intangible asset arising from the development phase of an internal project is recognized, if and only if, the conditions under the Ind AS 38 - Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognized in profit and loss in the period in which it is incurred.

f) Impairment of non-financial assets:

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

g) Leases:

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

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

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

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

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

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

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

h) Inventories:

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

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

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



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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

i) Revenue recognition:

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

Sale of goods:

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

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

j) Other income

Interest income:

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

k) Foreign currency transactions:

i. Functional and Reporting Currency:

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

ii. Initial Recognition:

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

iii. Conversion on reporting date:

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

iv. Exchange Differences:

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

l) Retirement and other employee benefits:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

- iii. Compensated absences which are in the nature of defined benefit obligation are provided for based on estimates of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 "Employee Benefits".

m) Borrowing Costs:

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

n) Segment Reporting:

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

o) Dividends:

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

p) Earnings per Share:

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

q) Provisions:

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

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

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

r) Contingencies:

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

s) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the respective laws of the state. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

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



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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

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

t) Prior period items:

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

u) Cash and cash equivalents:

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

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

v) Financial Instrument:

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

a. Financial Asset:

Initial recognition and measurement

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

Subsequent Measurement

For subsequent measurement financial assets are classified as measured at:

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

Financial Asset measured at amortized cost.

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

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

Financial Assets Measured at fair value through other comprehensive income.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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

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

De-recognition of Financial Assets

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

Impairment of Financial Assets

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

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

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

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

b. Financial Liabilities.

Initial recognition and measurement

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

Subsequent Measurement

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

Financial Liabilities at amortized cost

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

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

De recognition of Financial Liabilities

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

w) Offsetting.

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



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

4A - PROPERTY, PLANT AND EQUIPMENT

(₹. In lakhs)

Particulars	Freehold Land	Buildings	Plant & Machinery	Furniture and Fixtures	Vehicles	Misc. Equipment	Office Equipment	Computers	Total Property, plant and equipment
At April 1, 2023	1,488.62	3,881.96	15,885.26	133.39	545.77	2,355.06	90.50	348.84	24,729.40
Additions	558.83	1,069.44	3,634.40	10.91	138.98	342.52	2.52	42.16	5,799.76
Disposals	-	-	-	-	9.56	-	-	-	9.56
At March 31, 2024	2,047.45	4,951.40	19,519.66	144.29	675.18	2,697.58	93.02	391.00	30,519.59
Additions	-	1,437.40	3,047.53	5.86	-	147.84	-	7.45	4,646.08
Disposals	-	-	-	-	8.00	-	-	-	8.00
At MARCH 31, 2025	2,047.45	6,388.80	22,567.19	150.16	667.19	2,845.42	93.02	398.45	35,157.67
Accumulated Depreciation									
At April 1, 2023	-	1,416.93	8,661.81	106.15	412.54	1,899.81	80.85	330.39	12,908.48
Charge for the year	-	123.09	684.87	7.95	48.21	91.02	2.88	16.68	974.70
Disposals	-	-	-	-	8.86	-	-	-	8.86
At March 31, 2024	-	1,540.02	9,346.68	114.10	451.89	1,990.83	83.72	347.05	13,874.32
Charge for the year	-	160.66	962.86	7.92	65.97	135.13	2.27	25.41	1,360.22
Disposals	-	-	-	-	7.60	-	-	-	7.60
At MARCH 31, 2025	-	1,700.66	10,309.54	122.02	510.27	2,125.96	85.99	372.46	15,226.95
Net book value									
At March 31, 2024	2,047.45	3,411.38	10,172.98	30.19	223.29	706.74	9.30	43.95	16,645.28
At MARCH 31, 2025	2,047.45	4,688.14	12,257.65	28.14	156.92	719.46	7.03	25.99	19,930.78

4B. Capital work in process :-

(₹. In lakhs)

Particulars	Freehold Land	Buildings	Plant & Machinery	Furniture and Fixtures	Vehicles	Misc. Equipment	Office Equipment	Computers	Total Property, plant and equipment
At March 31, 2024	1.62	679.41	903.99	-	-	-	-	-	1,585.03
At March 31, 2025	2.30	6.21	574.87	-	-	-	-	-	583.38

Ageing of CWIP as on 31-03-2025 :-

(₹. In lakhs)

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
I. Projects in progress	505.78	77.60	-	-	583.38
ii. Projects temporarily suspended	-	-	-	-	-

Ageing of CWIP As on 31-03-2024 :-

(₹ in Lakhs)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

5. Right of Use Asset

(₹. In lakhs)

Particulars	Free hold Land	Total Right of Use Assets
Gross Carrying Amount		
At April 1, 2023	422.73	422.73
Additions		
Disposals		
At March 31, 2024	422.73	422.73
Additions		
Disposals		
At MARCH 31, 2025	422.73	422.73
Depreciation/Amortization @ April 1, 2023	26.25	26.25
Charge for the year	6.79	6.79
Disposals	-	-
At March 31, 2024	33.04	33.04
Charge for the year	6.56	6.56
Disposals	-	-
At MARCH 31, 2025	39.60	39.60
Net book value		
At March 31, 2024	389.69	389.69
At March 31, 2025	383.14	383.14

6A. Intangible assets

(₹. In Lakhs)

Particulars	Computer software	Total Intangible assets
Gross Carrying Amount		
At April 1, 2023	114.78	114.78
Additions	41.18	41.18
Disposals		
At March 31, 2024	155.96	155.97
Additions	10.14	10.14
Disposals		
At March 31, 2025	166.10	166.10
Amortization @ April 1, 2023	84.64	84.64
Charge for the year	15.66	15.66
Disposals		
At March 31, 2024	100.30	100.30
Charge for the year	20.30	20.30
Disposals	-	-
At March 31, 2025	120.60	120.60
Net book value		
At March 31, 2024	55.66	55.66
At March 31, 2025	45.50	45.50



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

6B. INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹. In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Intangible Assets Under Development	131.66	51.87
Total	131.66	51.87

Ageing of Intangible Assets Under Development as on March 31, 2025 :-

(₹. In lakhs)

Particulars	Amount in CWIP for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. Projects in progress	79.79	-	51.87	-	131.66
ii. Projects temporarily suspended	-	-	-	-	-

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

(₹. In lakhs)

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

7. INVESTMENTS-NON CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No	Amount	No	Amount
Non Current (Un-Quoted) Investments				
"Equity Investments - measured at Fair value through profit or loss"				
in MLR Motors Limited	5,00,000	50.00	5,00,000	50.00
in MLR Auto Limited	5,00,000	99.25	5,00,000	80.00
Total	10,00,000	149.25	10,00,000	130.00
Aggregate value of Investments		149.25		130.00
Aggregate book value of quoted investments		0.00		0.00
Aggregate market value of quoted investments		0.00		0.00
Aggregate book value of unquoted investments		149.25		130.00
Aggregate amount of impairment in value of investments		0.00		0.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

8. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
8 (A) NON CURRENT		
a. Security Deposits	206.18	195.72
Total Non Current Financial Assets	206.18	195.72
8 (B) CURRENT		
a. Interest Accrued	55.16	68.48
b. Other advances	93.05	70.38
Total Current Financial Assets	148.21	138.86
Total	354.39	334.58

9. INCOME TAX ASSET (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Income Tax Asset (Net)	356.22	-
Total	356.22	-

10. OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(Un secured - considered good)		
a. Advances for purchase of Capital goods	955.05	1,244.67
Total	955.05	1,244.67

Capital advances includes Rs. NIL Lakhs (Previous year Rs. 225.00 lakhs) given to entity owned or significantly influenced by key management personnel towards purchase of Land & Machinery (Refere Note 40 for details)

11. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(At cost and certified by the Management)		
a) Raw Materials & Components	2,464.16	2,294.07
b) Finished Goods	1,597.44	554.76
c) Work-in-Progress	9,630.63	8,896.37
Total	13,692.23	11,745.20

- 1 Raw materials and Components are at Cost on first in first out basis(FIFO)
- 2 Finished good and work in progress are valued at lower of cost and net realizable value on full absorption cost basis.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

12. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Receivables		
i) Undisputed Trade Receivables considered good -secured	-	-
ii) Undisputed Trade Receivables considered good -un secured	4,086.90	4,839.58
iii) Trade Receivables which have significant increase in risk	-	-
iv) Trade Receivables -Credit impiared	-	-
v) Disputed Trade Receivables considered good -secured	-	-
vi) Disputed Trade Receivables considered good -unsecured	-	-
Less : Provision for Exepected Credit Loss (E C L Provision)	(47.50)	
Total	4,039.40	4,839.58

Ageing Trade Receivables as on 31.03.2025

(₹ in Lakhs)

Particulars	Outstanding for following periods form due date of payments					
	< 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	Total
I. Undisputed trade receivables considered good	2,430.41	310.35	519.77	597.67	228.69	4,086.90
ii. Undisputed trade receivables considered Doubtful						0.00
iii. Disputed trade receivables considered good						0.00
iv. Disputed trade receivables considered doubtfull						0.00
TOTAL	2,430.41	310.35	519.77	597.67	228.69	4,086.90
Less : Provision for Doubtful Debts					47.50	47.50
Net Trade Receivables					181.20	4,039.40

Ageing Trade Receivables as on 31.03.2024

(₹ in Lakhs)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

13. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Balances with banks:		
Current accounts	15.07	14.19
(b) Cash on hand	2.43	6.98
Total	17.50	21.17

14. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Margin Money Deposits (On LC's and BG's)	890.29	827.64
(b) Fixed Deposit	25.00	-
Total	915.29	827.64

15. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(Un secured - considered good)		
Advances against Materials and services	1,155.63	1,057.29
Balance with authorities	17.58	33.81
Prepaid expenses	59.52	96.50
Total	1,232.73	1,187.59

16. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
a. Authorised Share Capital		
2,20,00,000 Equity Shares of Rs.10 each	2,200.00	2,200.00
	2,200.00	2,200.00
b. Issued, Subscribed and Paid-Up		
1,93,50,332 Equity Shares of Rs.10 each	1,935.03	1,849.68
(1,84,96,770 Equity Shares of Rs.10 each)		
Total	1,935.03	1,849.68

c. Reconciliation of the shares outstanding at the beginning and the end of respective years:

(₹ in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No of Shares	Amount	No of Shares	Amount
No. of shares at the beginning of the year	1,84,96,770	1,849.68	1,78,96,770	1,789.68
Add: Shares issued during the year	8,53,562	85.36	6,00,000	60.00
No. of shares at the end of the year	1,93,50,332	1,935.03	1,84,96,770	1,849.68



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

d. Rights, preferences and restrictions attached to shares

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

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

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

M. Srinivas	- In Nos.	24,27,415	20,48,415
	- In %	12.54	11.07
M. Srikrishna	- In Nos.	23,94,742	19,20,180
	- In %	12.38	10.38
B. Kishore babu	- In Nos.	11,45,209	11,45,209
	- In %	5.92	6.19

f Convertible Share Warrants

During the year ended on March 31, 2025, the Company has converted 8,53,562 warrants out of 15,00,000 warrants allotted to the Promoters of the Company. As on March 31, 2025, 6,46,438 warrants are pending for conversion.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

g. Details of Share holding of Promoters :

S. No	Name of the Promoter	As at March 31, 2025		As at March 31, 2024		% of Change
		No. of Shares	Held % of holding	No. of Shares Held	% of total Shares	
1	Lokeswara Rao Mullapudi	8,20,512	4.24	8,47,864	4.58	-3.23%
2	Kishore Babu Bollineni	11,45,209	5.92	11,45,209	6.19	0.00%
3	Srikrishna Mullapudi	23,94,742	12.38	19,20,180	10.38	24.71%
4	Srinivas Mullapudi	24,27,415	12.54	20,48,415	11.07	18.50%
5	Bollineni Vijaya Lakshmi	1,40,939	0.73	1,40,939	0.76	0.00%
6	Mullapudi Kanakadurga	7,00,372	3.62	7,00,372	3.79	0.00%
7	Naga Satya Swaroopa Rani Mullapudi	54,269	0.28	1,46,924	0.79	-63.06%
8	Srirekha Cherukuri	2,27,152	1.17	1,99,800	1.08	13.69%
9	Mullapudi Vijayalakshmi	5,19,617	2.69	5,19,617	2.81	0.00%
10	G Kamala Devi	7,777	0.04	7,777	0.04	0.00%
11	Ganne Annapurna	0	0.00	0	0.00	0.00%
12	Sudha Rani Ganne	27,330	0.14	27,330	0.15	0.00%
13	Mullapudi Vasantha Lakshmi	14,004	0.07	14,004	0.08	0.00%
14	Krishna Swamy Kallahalla	12,000	0.06	12,000	0.06	0.00%
15	Bollineni Sri Harsha	32,819	0.17	32,819	0.18	0.00%
16	Ajay Kumar Mullapudi	3,269	0.02	53,769	0.29	-93.92%
17	Sai Kiran Cherukuri	2,90,100	1.50	2,90,100	1.57	0.00%
18	Mullapudi Rama Mohan Rao	21,995	0.11	22,001	0.12	-0.03%
19	Asha Kiran Cherukuri	5,60,100	2.89	5,60,100	3.03	0.00%
20	Bollineni Shilpa	1,04,810	0.54	1,04,810	0.57	0.00%
21	Mullapudi Likhitha	5,54,190	2.86	5,54,190	3.00	0.00%
22	Sairam Prasad Gutta	7,359	0.04	7,359	0.04	0.00%
23	Mullapudi Siddharth	32,729	0.17	32,729	0.18	0.00%
	TOTAL	1,00,98,709	52.19	93,88,308	50.76	1.43



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

17. OTHER EQUITY

(₹ in Lakhs)

S. No	Particulars	As At March 31, 2025	As At March 31, 2024
(a)	Capital Redemption Reserve		
	At the beginning and at the end of the year	150.00	150.00
(b)	Securities Premium Reserve		
	At the beginning of the year	8,780.94	7,388.31
	Additions during the year (Net of Trasaction cost)	1,990.83	1,392.63
		10,771.77	8,780.94
(c)	General Reserve		
	At the beginning and at the end of the year	425.00	425.00
(d)	Money Received Against Share warrants	393.11	912.19
(e)	Surplus in Statement of Profit & Loss		
	At the beginning of the year	7,596.55	6,211.76
	Profit for the year	53.68	1,384.79
		7,650.24	7,596.55
	Appropriations:		
	Less: Equity Dividend	0.00	0.00
	Closing Balance	7,650.24	7,596.55
(f)	Other Comprehensive Income		
	On Acturial Gain/(loss) on post employment benefits		
	At the beginning of the year	(115.18)	(67.26)
	Add: Additions for the year	72.00	(47.92)
	At the end of the year	(43.18)	(115.18)
	Total	19,346.94	17,749.50

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

18. BORROWINGS

(₹ in Lakhs)

Particulars	As At March 31, 2025	As At March 31, 2024
18(a) Non Current Borrowings :		
1 Term Loans from Banks		
a) State Bank of India GECL-1. Rs.7.62 Cr	0.00	131.84
b) State Bank of India GECL-2. Rs.3.81 Cr	172.62	268.12
c) Punjab National Bank GECL-1. Rs.1.90 Cr	0.00	38.83
d) Punjab National Bank GECL-2. Rs.0.95 Cr	36.95	60.74
e) Indusind Bank GECL-1. Rs. 2.25 Cr	0.00	51.56
f) Indusind Bank GECL-2. Rs. 1.125 Cr	58.59	84.37
g) State Bank of India TL. Rs.25.00 Cr	1,849.68	1,506.91
h) Punjab National Bank TL. Rs.8.60 Cr	532.59	627.53
i) Punjab National Bank TL.13.50 Cr	952.42	1,100.76
j) State Bank of India TL. Rs.26.00 Cr	739.78	0.00
2 Term Loans from other parties		
k) Mahindra & Mahindra Finance Ltd	8.17	103.49
l) Axis Finance Limite	354.92	427.78
m) Oxyzo Financial Services Ltd	306.51	0.00
3 Vehicle Hire Purchase Loans	106.52	128.35
Total Non Current Borrowings	5,118.75	4,530.28
18(b) Current Borrowings		
1 Current Maturities of Long Term Debt		
a) State Bank of India GECL-1. Rs.7.62 Cr	131.60	190.50
b) State Bank of India GECL-2. Rs.3.81 Cr	95.24	95.25
c) Punjab National Bank GECL-1. Rs.1.90 Cr	38.80	47.50
d) Punjab National Bank GECL-2. Rs.0.95 Cr	23.75	23.75
e) Indusind Bank GECL-1. Rs. 2.25 Cr	51.56	56.25
f) Indusind Bank GECL-2. Rs. 1.125 Cr	28.13	28.13
g) State Bank of India TL. Rs.25.00 Cr	300.00	140.00
h) Punjab National Bank TL. Rs.8.60 Cr	95.56	95.55
i) Punjab National Bank TL.13.50 Cr	148.99	148.99
j) State Bank of India TL. Rs.26.00 Cr	200.00	0.00
2 Term Loans from other parties		
k) Mahindra & Mahindra Finance Ltd	95.34	148.79
l) Axis Finance Limited	73.32	66.51
m) Oxyz Financial Services Ltd	317.44	0.00
3 Vehicle Hire Purchase Loans	26.69	35.25
(a)	1,626.42	1,076.47
4 Cash Credit from Banks		
a) State Bank of India	4,820.54	4,082.15
b) Punjab National Bank	854.84	1,186.21
c) Indusind Bank	948.63	923.95
(b)	6,624.01	6,192.31
5 Interest accrued but not due on borrowings	(c)	4.27
Total Current Borrowings	8,254.70	7,274.51
Total Borrowings	13,373.45	11,804.79



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

- 1 The Loans referred at (a to f) above are Primary secured by hypothecation of entire current assets, present and future on pari-passu basis with other working capital lenders and First charge by way of equitable mortgage of properties standing in the name of the company and Second charge on Fixed Assets of the company raking pari-passu with other lenders in the working capital consortium.
- 2 The Loans referred at (g) & (j) above are secured by 1st pari-passu charge by hypothecation of land & Buildings at Toopran, Part -B, Industrial park, and guaranted by Managing Director and other two promoter directors.
- 3 The Loans referred at (h & i) above are secured by 1st pari-passu charge by hypothecation of land & Buildings at Toopran, Part -A, Industrial park, & 1st parripassu charge by hypothecation of plant & machinery created our of the finance and guaranted by Managing Director and other two promoter directors.
- 4 Hire Purchase Loans above are secured by hypothecation of the respective asset and guaranted by one of the Directors of the Company and repayable in monthly installments.
- 5 Loan From Axis Finance Ltd is secured by hypothecation of Promoters Land at Medchal
- 6 Loan From Oxyzo Financial Services Ltd are secured by an exclusive charges on the personal property of Directors situated at Shahazadiguda village, Medchal-Malkajgiri district, Telangana.

The loan is further secured by personal guarantee of Srikrishna Mullapudi (Exucutive director), Lokeswara Rao Mullapudi (Managind Director), Srinivasa Mullapudi (Executive director) and M Vasantha Lakshmi (Promoter group)

Terms of Repayments

Particulars	Sanction Date	Rate of Interest	Frequency of Repayments	No of Installments
a) State Bank of India GECL-1	28.01.21	6 months MCLR +100 bps	Monthly	48
b) State Bank of India GECL-2	14.01.22	6 months MCLR +100 bps = 8.35%	Monthly	48
c) Punjab National Bank GECL-1	03.02.21	1 yr MCLR +1% subject to max 9.25%	Monthly	48
d) Punjab National Bank GECL-2	25.11.21	1 year MCLR 7.25% subject to max 9.25%	Monthly	48
e) Indusind Bank GECL-1	16.12.20	9.25%	Monthly	48
f) Indusind Bank GECL-2	23.03.22	9.25%	Monthly	48
g) State bank of India TL 1	03.02.22	5% above 6month MCLR	Quarterly	27
h) State bank of India TL 2	19.09.24	1.05% above 6 month MCLR	Quarterly	30
i) Punjab National Bank TL 1	16.09.22	10.10%	Monthly	108
j) Punjab National Bank TL 2	16.09.22	1 year MCLR+2.65-1.00%	Quarterly	36
k) Axis Finance Limited	31.10.23	11.00%	Monthly	72
l) Oxyzo Financials Services Limited	24.12.24	12.20%	Monthly	48

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

7 Working capital limits from consortium banks are secured by way of :

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

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

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

19. PROVISIONS - NON CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current Employee Benefit Obligation		
Gratuity	361.22	467.75
Leave Encashment	76.35	92.53
Total Non Current Employee Benefit Obligation	437.57	560.28

20. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2025	Recognised in statement of profit & loss	Recognised in other Comprehensive income	As at March 31,2024
Deferred tax liability				
Property, Plant & Equipment & Intangible assets	1,558.21	295.21	0.00	1,263.01
Gross Deferred Tax liability	1,558.21	295.21	0.00	1,263.01
Deferred tax asset				
a. Employee Benefits & Statutory liabilities allowed on payment basis	136.79	2.67	(27.74)	161.86
b. Unused Tax Losses	257.20	257.21		0.00
Gross Deferred Tax Asset	393.99	259.88	(27.74)	161.86
Net Deffered Tax Liability/Asset	1,164.22	35.33	27.74	1,101.15

21. TRADE PAYABLES -CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
For supplies and Services		
Current		
a) Trade Payables : Micro and Small Enterprises	291.62	328.10
b) Trade Payables : Other than Micro and Small Enterprises	3,332.06	3,334.41
c) Disputed Trade Payables : Micro and Small Enterprises	-	-
b) Disputed Trade Payables : Other than Micro and Small Enterprises	-	-
Total	3,623.68	3,662.51

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



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Principal Amount due	291.62	328.10
Interest due on above	2.77	1.80
Amount of interest paid in terms of section 16 of the MSMED Act, 2016	-	-
Amount of interest due and payable for the period off delay	-	-
Amount of interest accrued and remaining unpaid as at year end	-	-
Amount of further interest remaining due and payable in the succeeding year	-	-
	294.39	329.90

Trade Payables aging schedule as at 31st March 2025

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	291.62	-	-	-	291.62
(ii) Others	3,117.65	143.01	71.40	-	3,332.06
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
	3,409.27	143.01	71.40	-	3,623.68

Trade Payables aging schedule as at 31st March 2024

(₹ in Lakhs)

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

22. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
1 Employee related payables	362.07	382.33
2 Capital creditors	369.27	120.76
Total Other Current Financial Liabilities	731.34	503.09

23. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1 Other payables-Statutory Dues	286.63	172.74
2 Other payables	154.39	181.48
3 Advances received against sales	1,722.66	1,431.37
	2,163.68	1,785.59

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

24. INCOME TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Income Tax Liabilities (Net)	-	41.40
Total	-	41.40

25. PROVISIONS - CURRENT

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for CSR Expenditure	10.61	-
Total	10.61	-

26. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Machine Tools - Indigenous	16,567.26	19,411.23
Machine Tools - Exports	858.86	2,560.63
Components	9,513.00	12,459.70
Total Gross Sales	26,939.12	34,431.56
Less : GST	4,106.96	5,077.57
Total Net Sales	22,832.16	29,353.99

Notes:

a) Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenue as per contracted price	22,832.16	29,353.99
Less: Discounts	0.00	0.00
Revenue from contract with customers	22,832.16	29,353.99

b) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers:

Trade Receivables (Refer Note 12)	4,039	4,840
Contract Liabilities (Refer Note 23)	1,723	1,431
The contract liabilities primarily relate to the advance consideration received from the customers.		

c) Performance obligation:

All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company does not have any remaining performance obligation for sale of goods or rendering of services which remains unsatisfied as at March 31, 2025 and March 31, 2024.

d) Disaggregation of revenue:

Refer Note 44 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contract with customers".



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

27. OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest Income		
- Margin Money	64.82	43.90
- Others	41.19	41.53
Foreign Exchange gain	9.33	32.76
Profit on sale of Asset	0.11	1.41
Fairvalue gain on Investments Measured at FVTPL	19.25	-
Miscellaneous Income	12.61	48.58
Total	147.31	168.18

28. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Inventory at the beginning of the year	2,294.08	2,155.94
Add: Purchase of Materials	13,625.00	17,253.24
	15,919.08	19,409.17
Less: Inventory at the end of the year	2,464.16	2,294.07
Total	13,454.92	17,115.10

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

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

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Inventory at the beginning of the year		
Finished Goods	554.76	724.25
Work-in-Progress	8,896.37	8,349.79
	9,451.13	9,074.04
Inventory at the end of the year		
Finished Goods	1,597.44	554.76
Work-in-Progress	9,630.63	8,896.37
	11,228.07	9,451.13
Total	(1,776.94)	(377.09)

30. OTHER MANUFACTURING EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Consumable Stores	173.79	175.31
Job works (processing charges)	835.59	858.11
Packing material	231.66	241.59
Freight and cartage	388.30	382.15
Power and fuel	789.90	836.56
Testing charges	20.16	16.14
Unloading Charges	2.79	1.27
Repairs and Maintenance - Plant and Machinery	219.03	315.36
Total	2,661.22	2,826.49

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

31. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Salaries, Wages and Bonus	4,988.99	5,000.88
Contribution to PF,ESI and Other Funds	182.64	213.45
Staff Welfare expenses	144.29	192.78
Total	5,315.92	5,407.11

32. FINANCE COSTS

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest on Borrowings *	1,401.17	1,003.54
Bank charges	116.75	144.42
Total	1,517.92	1,147.96

* Net of Borrowing Cost Capitalised of Rs. 66.59 Lakhs (2024 - Rs.196.80 Lakhs)

33. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
On Property, Plant and Equipment	1,360.21	974.69
On Right of Use Asset	6.56	6.79
On intangible Assets	20.30	15.66
Total	1,387.07	997.14

34. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Rent	74.34	85.83
Rates and Taxes	75.88	235.11
Insurance	60.17	52.86
Travelling and Conveyance	360.82	299.37
Printing and Stationery	48.57	50.82
Postage and Telephones	23.56	25.41
Vehicles Maintanance	107.60	89.22
Sales Commission	110.83	146.20
Professional Charges	223.68	134.80
Auditor's Remuneration :		
- As Auditors	5.00	5.00
Business Promotion Expenses	43.56	29.63
Advertisement	6.48	8.57
Donations	0.05	2.05
Security Charges	145.76	113.81
Exhibition expenses	18.47	79.04
Service charges	40.91	102.40
C S R Expenditure (Refer Note 44)	29.62	20.56
Liquidity Damages	28.39	18.83
Bad Debts written off / Provision for ECL	75.77	76.07



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
R & D Expenditure	0.74	6.08
Discount Charges	-	35.61
Fair Value loss on Equity Investments	-	10.00
Factory Maintenance	79.62	105.41
Foreign exchange loss	3.09	3.40
Miscellaneous Expenses	113.25	95.83
Total	1,676.16	1,831.91

35. EARNINGS PER EQUITY SHARE

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
a Profit for the year (Rs. In Lakhs)	53.68	1,384.79
b Weighted average number of equity shares of Rs. 10/- each Basic & Diluted	1,87,28,039.17	1,78,96,770.00
c Earning per share (Amount in Rs.) Basic & Diluted	0.28	7.68

36. Income Taxes

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
i) Tax Expense/(Credit) recognised in Statement of Profit and Loss		
Current tax	0.00	372.13
Deferred Tax	35.33	194.73
Income tax of earlier years	0.00	103.68
Total	35.33	670.54
ii) Effective Tax Reconciliation		
Profit/ (Loss) before tax	89.01	2,055.33
Applicable tax rate	26.00%	29.12%
Tax Expense/(Credit) at applicable tax rate in India	23.14	598.51
Increase / (decrease) in tax expenses on account of:		
i) Non-deductible expenses for tax purpose	7.70	11.63
ii) Income tax of earlier years	0.00	103.68
iii) Other Adjustments	4.49	(43.28)
Tax Expense/(Credit) as per Statement of Profit and Loss	35.33	670.54

37. Fair Value Measurement:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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

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

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

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

(₹ in Lakhs)

Particulars	As at		
	Fair value hierarchy Level	March 31, 2025	March 31, 2024
Financial Assets measured at FVTPL			
Investments in Equity instruments	2	149.25	130.00
	2	149.25	130.00

38. Contingent Liabilities & Commitments.

Contingent Liabilities and commitments not provided for on account of:

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a Letter of credit	879.90	1,033.16
b Bank Guarantees	754.05	730.95
c Under Excise and Service Tax	166.77	497.45
d Under GST Act	187.23	179.81
e Damages U/s 14B of EPF Act	21.18	0.00

39. Employee benefits plan

a) Defined contribution plans

Refer Note 31 for the Company's contribution to the defined contribution plans with respect to employee benefit funds i.e Provident Fund and Employees' State Insurance Scheme.

b) Defined benefit plan

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	502.29	380.77
Interest cost	34.88	29.99
Current Service Cost	31.43	39.32
Benefits Paid	(43.56)	(21.91)
Actuarial gain / (Loss) on obligations	(108.66)	74.12
Present value of obligations as at end of year	416.38	502.29
B Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	13.09	13.09
Expected return on plan assets	2.81	0.00
Contributions	33.36	21.91
Benefits Paid	(4.64)	(21.91)
Actuarial gain / (Loss) on Plan assets	10.55	0.00
Fair value of plan assets at the end of year	55.16	13.09
C Key Assumptions:		
Discount Rate	6.94%	7.22%
Salary Escalation	2%	2%

40. Related party disclosure:

1) Related Parties:

(A) Key Management Personnel (KMP)

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

(B) Non-Executive Directors

- i) M. Yugandhar - Independent Director
- ii) D. Balaji - Independent Director
- iii) M. Likhitha - Non-Independent Director
- iv) K. Krishna Swamy - Non-Independent Director

(C) Entities in which the key management and their close members are interested where transaction exists:

- i) M L R Motors Limited

2. Transactions during the year

(₹ in Lakhs)

Name of the party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
M. Lokeswara Rao	Remuneration	60.00	60.00
	Unsecured Loan received	0.00	395.00
	Unsecured loan repaid	0.00	395.00
B. Kishore Babu	Remuneration	63.00	54.00

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Lakhs)

Name of the party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
M. Srinivas	Remuneration	87.00	78.00
	Unsecured Loan received	0.00	100.00
	Unsecured loan repaid	0.00	100.00
M. Srikrishna	Remuneration	87.00	78.00
	Unsecured Loan received	0.00	200.00
	Unsecured loan repaid	0.00	200.00
V. Sudhakara Reddy	Remuneration	36.00	36.00
Gurprith Singh	Remuneration	13.20	10.80
M. Srinivas & M. Srikrishna			
	Rent for Land & Building	51.60	51.60
M. Likhitha	Advance for purchase of Asset	0.00	547.25
M L R Motors Limited	Advance for purchase of Capital Asset	5.10	225.00
	Purchase of Capital Asset	230.10	0.00

* Post Employee Benefits are actuarially determined on overall basis and hence not seperately provided

3. Balances for the year ended

Name of the party	Nature of transaction	Year ended March 31, 2025	Year ended March 31, 2024
M. Lokeswara Rao	Remuneration payable	5.00	5.00
B. Kishore Babu	Remuneration payable	6.00	4.50
M. Srinivas	Remuneration payable	8.00	6.50
M. Srikrishna	Remuneration payable	8.00	6.50
V. Sudhakara Reddy	Remuneration payable	6.00	3.00
Gurprith Singh	Remuneration payable	2.20	0.90
M. Srinivas & M. Srikrishna	Rent for Land & Building	4.30	4.30
M. Likhitha	Advance for purchase of Asset	547.25	547.25
M L R Motors Limited	Advance for purchase of Capital Asset	0.00	225.00

41. Segment information

- (a) The primary reporting of the company has been performed on the basis of business segment. The company is organized into two business segments i.e. Machines Division and Component Division. Segments have been identified and reported based on the nature of the products, risks and returns, the organization structure and the internal financial reporting system.

The expenses that are not directly attributable to the business segments are shown as unallocated corporate costs.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and fixed assets, net of allowances.

Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Lakhs)

Particulars	Machine Division	Components Division	Un allocated	Total
Revenue				
External sales	14,899.87 (19,010.92)	7,932.29 (10,343.07)	- -	22,832.16 (29,353.99)
Intersegment sales	-	-	-	-
Total Revenue	14,899.87 (19,010.92)	7,932.29 (10,343.07)	0.00 -	22,832.16 (29,353.99)
Segment Results	2,029.45 (3,230.90)	968.67 (1,479.60)		2,998.12 (4,710.50)
Corporate Expenses (net)			2,909.11 (2,655.17)	2,909.11 (2,655.17)
Profit/loss before tax				89.01 (2,055.33)
Segment Assets	2,707.21 (26,247.30)	1,571.44 (12,810.69)		4,278.65 (39,057.99)
Segment Liabilities	1,321.66 (12,478.90)	828.79 (6,979.91)		2,150.45 (19,458.81)
Capital expenditure	1,385.55 (3,226.29)	742.65 (2,573.35)		2,128.20 (5,799.64)
Segment depreciation	577.35 (292.15)	809.72 (704.99)		1,387.07 (997.14)

(Amounts in brackets represent previous year figures)

(b) Geographic information

i) Revenue from external customers

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Within India	21,973.30	26,793.36
Outside India	858.86	2,560.63
Total	22,832.16	29,353.99

ii) Segment Assets

(₹ in Lakhs)

Non-Current Operating Assets*	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024
Within India	4,278.65	39,057.99
Outside India	0.00	0.00
Total	4,278.65	39,057.99

*Other than financial assets, deferred tax assets, Income Tax Assets

(c) Information about major customers

One customer individually accounted for more than 10% of the revenue during the year ended March 31, 2025, and March 31, 2024.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

42. Financial Risk Management

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

I. Market Risk

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

- a. **Foreign Currency Risk** - Foreign Currency Risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to impact of raw materials and spare parts, capital expenditure and export of Machines. The company does not enter into any derivative instruments for trading or speculative purposes and the impact foreign currency risk is negligible.
- b. **Interest Rate Risk** – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's short term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. Since all the borrowings are on floating rate and constantly monitored, no significant risk of change in interest rate.

II. Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

III. Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

43. Capital Management

Gearing Ratio

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Debt Obligations	13,373.45	11,804.79
b) Cash and Cash equivalents & Other bank balances	932.79	848.81
c) Net Debt (a-b)	12,440.66	10,955.98
d) Total Equity	21,281.97	19,599.18
Net Debt Equity Ratio (c/d)	0.58	0.56



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2025 and 31 March, 2024

44. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
i) Gross amount required to be spent by Company during the year	29.62	19.67
ii) Amount spent during the year on construction/acquisition of any asset	0.00	0.00
iii) Amount spent during the year other than (iii) above	6.00	20.56
iv) Set off of previous years carry forward amount against the shortfall	13.00	0.00
v) Shortfall at the end of the year transferred to unspent CSR Account	10.62	0.00
Reason for shortfall of expenditure		
vi) Excess Spent Proposed to be Carried Forward for Set off	0.00	13.00
vii) Nature of CSR activities	Rural Development Projects and Education	
viii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL

45. Ratios

Particulars	Numerator	Denominator	FY 2025	FY 2024	% Variance	Reason for variance
(a) Current Ratio	Current Assets	Current Liabilities	1.36	1.41	-4%	Not Applicable
(b) Debt-Equity Ratio	Debt	Equity	0.63	0.60	4%	Not Applicable
(c) Debt Service Coverage Ratio	EBITDA	Interest + Principal	1.08	1.82	-41%	Not Applicable
(d) Return on Equity Ratio	PAT	Average equity	0.26%	7.80%	-97%	Refer Note I
(e) Inventory turnover ratio	Revenue From Operations	Average Inventory	1.80	2.56	-30%	Refer Note i
(f) Trade Receivables turnover ratio	Net sales	Average trade receivable	5.14	6.58	-22%	Not Applicable
(g) Trade payables turnover ratio	Net Purchases	Average trade payable	3.74	5.21	-28%	Refer Note ii
(h) Net capital turnover ratio	Net sales	Working capital	4.34	5.34	-19%	
(i) Net profit ratio	PAT	Net sales	0.24%	4.72%	-95%	Refer Note I
(j) Return on Capital employed	EBIT	Average capital employed	4.71%	11.04%	-57%	Refer Note i
(k) Return on investment	PAT	Average equity	NA	NA		

Note:

- Decrease in these ratios in FY 24-25 is on account of lower profitability due to lower turnover owing to sanctions from OFAC.
- Decrease in the Ratio in FY 24-25 is due to decrease in Purchases during the year

46. Additional disclosures as per Schedule III of the Companies Act, 2013:"

- i) The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- ii) The Company do not have any transactions with companies struck off.
- iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not been declared a willful defaulter by any bank or financial institution or any other lender during the current period.
- v) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds), other than in the ordinary course of business by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries"
- vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- vii) he Company has not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Company has complied with number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017"

47. **OFAC Sanctions:**

The Company soon after becoming aware that its name was featured in the sanctions list of the United States Department of Treasury published on October 30, 2024, informed the Stock Exchanges vide letter dated November 02, 2024, stating that the company is not aware of any machines being sold or having dealt with any sanctioned entities or individuals, which lead to the inclusion of Company's name in the list.

Furthermore, due to OFAC Sanctions, during the period starting from October 30, 2024, to March 31, 2025, the Company was unable to enter into any foreign currency transactions.

Further, the Company is in the process of getting its name removed from the sanction list of the United State Department of Treasury for which the Company through a US based lawyer firm filed an application before Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC") for expedited removal/reconsideration of Designation on the list of Specially Designated Nationals and Blocked Persons on January 31, 2025 (EST) and had also intimated to the Stock Exchanges vide letter dated February 01, 2025 (IST).

In view of the OFAC sanctions and challenging macro-economic conditions, the company has taken certain cost cutting initiative and as a result of which, the Company is able to minimize the impact of sanctions on the operations of the Company.

Furthermore, the Company has undertaken renewed strategic initiatives aimed at recouping the business. These measures have begun to yield positive outcomes, evidenced by the emergence of new opportunities and the onboarding of new customers

48. Previous Year's figures have been regrouped wherever necessary to correspond with the current year's figures. Except when otherwise stated, the figures are presented in Rupees in Lakhs.

As per our report of even date attached

For and on behalf of the Board

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

M. LOKESWARA RAO
Managing Director
DIN : 00989447

M. SRINIVAS
Director
DIN : 00917565

K Shravan
Partner
Membership No.:215798

V. SUDHAKARA REDDY
Chief Financial Officer

GURPRIT SINGH
Company Secretary

Place : Hyderabad
Date : May 28, 2025



41st ANNUAL GENERAL MEETING

NOTICE

NOTICE is hereby given that the 41st Annual General Meeting ("AGM") of the Members of the **Lokesh Machines Limited** ("the Company") will be held on Friday, the 26th day of September 2025 at 11:00 A.M. IST through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") to transact the following business:

Ordinary business:

1. Adoption of financial statements

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2025, and the reports of the Board of Directors and the auditors there on.

2. Appointment of Ms. Likhitha Mullapudi (DIN: 08765043) as a director, liable to retire by rotation

To appoint a director in place of Ms. Likhitha Mullapudi (DIN: 08765043), who retires by rotation and being eligible offers herself for re-appointment.

Special business:

3. Appointment of M/s L.D. Reddy & Co., Company Secretaries, as Secretarial Auditor of the Company

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 179 and 204 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendations of the Audit Committee and the Board of Directors, the approval of the members be and is hereby accorded for the appointment of M/s. L.D. Reddy & Co., Company Secretaries, (M. No.13104, CP No. 3752), as Secretarial Auditors of the Company for a term of five consecutive years, commencing from Financial Year 2025-26 till Financial Year 2029-30 at such remuneration and on such terms and conditions as may be determined by the Board of Directors (including its committees thereof), and to avail any other services, certificates, or reports as may be permissible under applicable laws.

RESOLVED FURTHER THAT the Board of Directors of the Company, (including its committees thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.

4. Approval for continuation of Mr. Kallahalla 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. Kallahalla Krishna Swamy (DIN:00840887) director of the Company to continue and hold office of non-executive director under the current tenure of appointment starting from September 26, 2025 to September 25, 2030 notwithstanding that he has attained the age of 75 years;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with concerned ROC, Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

5. 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. 1,00,000/- (Rupees One Lakh Only) plus out of Pocket expenses upto Rs. 10,000/- (Rupees Ten Thousand Only) excluding GST and other applicable taxes., to M/s Naval & Associates, Cost Accountants (Firm Reg. No. 002319) to audit the cost records maintained by the Company for the financial year ending March 31, 2026;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with concerned ROC, Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

Place: Hyderabad
Date: August 12, 2025

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

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

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

**NOTES:**

- 1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 Ordinary & Special Business i.e., item 3 to 5, 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) and as per Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment/re-appointment at this AGM is also annexed. The Directors have furnished the requisite consent/declarations for their appointment/re-appointment as required under Companies Act, 2013 and the Rules there under.
- 2) Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024, issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
- 3) A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to ldreddy2016@gmail.com with a copy marked to evoting@nsdl.com.
- 4) The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 5) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 6) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company under Investors Section at <https://www.lokeshmachines.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- 7) Pursuant to the provisions of Section 124, 125 of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the amount of dividend remaining unpaid for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. Members who have not encashed their dividend are requested to contact the RTA of the Company in this regard. The amount so transferred to IEPF cannot be claimed from the Company. Further Shares on which dividend remain unclaimed for seven consecutive years will be transferred to IEPF as per Section 124 of the Companies Act, 2013 and the applicable Rules. The Company is providing/ hosting the required details of unclaimed amount/ shares referred to under Section 124 of the Act on its website www.lokeshmachines.com. The concerned members/investors are requested to refer to page No. 6 of this Annual Report or contact our RTA M/s KFin Technologies Limited for instructions on lodging claims for refund of shares and /or dividend from the IEPF Authority.
- 8) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

- 9) Pursuant to the provisions of Section 91 of the Companies Act, 2013, The Register of Members and Share Transfer Books of the Company will remain closed from September 20, 2025, to September 26, 2025(both days inclusive).
- 10) Members must quote their Folio Number/ Demat Account number and contact details such as email address, contact number etc. in all correspondence with the Company/Registrar and Share Transfer Agents.
- 11) Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company.
- 12) Members are requested to update their preferred e-mail ids with the Depository Participants / Company's Registrar and Transfer Agents, which will be used for the purpose of sending the official documents through e-mail in future. The RTA address is given below:

M/s. KFin Technologies Limited,

Unit: Lokesh Machines Limited

Selenium Tower B, Plot No.31-32,Financial District,

Nanakramguda,Serilingampally,Hyderabad - 500 032,

Email ID: einward.ris@kfintech.com

Toll Free/ Phone Number: 1800 309 4001

WhatsApp Number: (91) 910 009 4099

KPRISM (Mobile Application): <https://kprism.kfintech.com/>

KFINTECH Corporate Website: <https://www.kfintech.com>

RTA Website: <https://ris.kfintech.com>

Investor Support Centre (DIY Link): <https://ris.kfintech.com/clientservices/isc>

- 13) Shareholders are requested to immediately notify the Registrars and Share Transfer Agents or the Depository participants (in case of shares which have been dematerialized) of any change in their address and/or bank account details to ensure correct and prompt receipt of the Dividend Warrants in case of declaration of dividend.
- 14) Pursuant to SEBI notification dated June 08, 2018, transfer of shares in physical mode is prohibited and mandates holding in Demat mode except in case of transmission or transposition. Accordingly, members are requested convert physical holding to demat through depository participant. Members may contact Company via mail to cosecy@lokeshmachines.com or RTA for any assistance in the process of physical to demat shares.
- 15) Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding/trading. SEBI vide its Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and SEBI/HO/ MIRSD/ MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 read with SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022, has mandated all shareholders holding shares in physical form ("physical shareholders") to furnish their PAN, Nomination and KYC details (PAN, Contact Details, Bank Account Details & Specimen Signature) with companies. Further linking of PAN and Aadhaar is also mandated by the Central Board of Direct Taxes (CBDT). Brief procedure for updation of PAN, Bank Account, KYC and nomination details is given hereunder:



Type of holder	Process to be followed	
Physical Shareholders	For availing the following investor services, send a written request in the prescribed forms to RTA by post (self-attested & dated) to KFin Technologies Private Limited, Unit: Lokesh Machines Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 & also scanned copy of the same at E-mail: einward.ris@kfintech.com	
	Form to register PAN, e-mail address, bank details and other KYC details or changes/updation thereof for securities held in physical mode	Form ISR-1
	Updation of signature of securities holder	
	For nomination as provided in the Rule 19(1) of the Companies (Share Capital and debenture) Rules, 2014	Form ISR-2 Form SH-13
	Declaration to opt out nomination	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3)/ Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for securities held in physical mode	Form ISR-4
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

- 16) Effective April 1, 2024, SEBI has mandated that the shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend, if declared only in electronic mode. Accordingly, payment of any dividend, if declared is subject to approval at the AGM and shall be paid to physical holders only after the above details are updated in their folios. Shareholders are requested to complete their KYC by writing to the Company's RTA, KFin Technologies Limited, at einward.ris@kfintech.com. The forms for updating the same are available at <https://www.lokeshmachines.com/investment-center.php?key=updates-and-downloads-for-shareholders> 11-18-24
- 17) An electronic copy of the Annual Report and the Notice of the 41st AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.
- 18) Relevant documents and registers will be available for inspection by the members at the registered office of the company. Members seeking any information with regard to the accounts or any other matter to be placed at the AGM are requested to write to the Company on or before Saturday, September 20, 2025, through email on cosecy@lokeshmachines.com. The same will be replied by the Company suitably.
- 19) As per the green initiatives issued by the Ministry of Corporate Affairs, all companies are allowed to send official documents to their shareholders electronically. Henceforth, we propose to send documents like notice convening the general meetings, financial statements etc. to the email address registered with the company.
- 20) The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and RTA, and will also be displayed on the Company's website, www.lokeshmachines.com.
- 21) Since the AGM will be held through VC / OAVM, the route map is not annexed in this notice

Explanatory Statement

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

Note: For the ease of understanding and information of the shareholders, the detailed disclosures as required under Companies Act, 2013 read with SEBI (LODR) Regulations, 2015 are provided in a consolidated form in the latter part of this Notice of AGM.

Item # 3

M/s. L.D. Reddy & Co., Company Secretaries, (M. No.13104, CP No. 3752), practicing company Secretary with over 25 years of experience in delivering comprehensive professional services across Corporate Laws, SEBI Regulations and FEMA Regulations.

Mr. Lebaka Dhanamjaya Reddy, proprietor of M/s. L.D. Reddy & Co., is a Peer Reviewed Practicing Company Secretary and possesses over 25 years of post-qualification experience in Secretarial and Legal functions across various listed companies. His expertise spans handling Public and Rights Issues, Mergers, De-mergers, Takeovers, and other forms of corporate restructuring, including representing matters under the Insolvency and Bankruptcy Code (IBC) before the National Company Law Tribunal (NCLT). He is well-versed in statutory compliance under SEBI Regulations, FEMA, RBI, ESI, PF, IBC, the Companies Act, and other related legislation

M/s. L.D. Reddy & Co were appointed as secretarial auditors of the Company for conducting secretarial audit for the financial year 2022-23, 2023-24 and 2024-25 and the same is not considered as a term of Appointment of Secretarial Auditor as per Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "LODR Regulations").

In terms of Regulation 24A of LODR Regulations read with SEBI notification dated December 12, 2024, and other applicable provisions, the Company can appoint a peer reviewed firm as secretarial auditors for not more than two (2) terms of five (5) consecutive years. M/s. L.D. Reddy & Co., is eligible for appointment for a period of five years and on the basis of recommendations of the Audit Committee, the Board of Directors, at its meeting held on May 28, 2025, approved the appointment of M/s. L.D. Reddy & Co., as secretarial auditors of the Company to hold office for a term of five consecutive years commencing from Financial Year 2025-26 till Financial Year 2029-30. The appointment is subject to the approval of the shareholders of the Company.

M/s. L.D. Reddy & Co. has given their consent to act as secretarial auditors of the company and confirmed that their aforesaid appointment (if approved) would be within the limits specified by Institute of Company Secretaries of India. Furthermore, in terms of the amended regulations, M/s. L.D. Reddy & Co., has provided a confirmation that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate.

The proposed remuneration to be paid to M/s. L.D. Reddy & Co., for secretarial audit services for the financial year ending March 31, 2026, is 1 lakh (Rupees One lakh Only) plus applicable taxes and out-of-pocket expenses. Besides the secretarial audit services, the Company may also obtain certifications from M/s. L.D. Reddy & Co., under various statutory regulations and certifications required by banks, statutory authorities, audit related services and other permissible non-secretarial audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee.

The Board of Directors and the Audit Committee shall approve revisions to the remuneration of M/s. L.D. Reddy & Co., for the remaining part of the tenure.

The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such a manner and to such extent as may be mutually agreed with M/s. L.D. Reddy & Co.

Based on the recommendations of the Audit Committee, the Board of Directors have approved and recommended the aforesaid proposal for approval of members taking into account the eligibility of the firm's qualification, experience, independent assessment & expertise of the partners in providing secretarial audit related services, competency of the staff and Company's previous experience based on the evaluation of the quality of audit work done by them in the past.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The Board recommends the Ordinary resolution set forth in item no. 3 for the approval of members.

**Item #4**

Mr. K. Krishna Swamy, aged about 84 years was appointed as Non-Executive Director of the Company. As per the Regulation 17(1A) of SEBI (LODR) Regulations, 2015, a special resolution is required for appointment/continuation of any non-executive director who has attained the age of 75 years or more. Mr. Krishna Swamy reached the age of 75 years during the term of his appointment. Hence this Special Resolution is placed before the shareholders.

In the opinion of the Board, Mr. K. Krishna Swamy's extensive experience of over 50 years in the machine tools industry, particularly in designing various machines, make his guidance and mentor ship invaluable for the new generation of engineers joining our company.

Accordingly, the consent of the members is sought to pass a Special Resolution as set out at Item No.4 of the Notice for continuation of his appointment.

Item # 5

Subject to the ratification of remuneration by the shareholders, the Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Naval & Associates., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2026, at a remuneration of Rs. 1,00,000/- (Rupees One Lakh Only) plus out of Pocket expenses up to Rs. 10,000/- (Rupees Ten Thousand Only) excluding GST and other applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought to pass an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2026.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way concerned or interested, financially or otherwise, in the ordinary resolution set out in item No.5 of the Notice.

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

Place: Hyderabad
Date: August 12, 2025

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

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

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

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Tuesday, September 23, 2025, at 09:00 A.M. and ends on Thursday, September 25, 2025, at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 19, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 19, 2025.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 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"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	<ol style="list-style-type: none"> Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center;">  App Store  Google Play </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">   </div>



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Help desk 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 help desk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL help desk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

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 e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- 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'?

If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - 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.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on 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.com 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 and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting 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 and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ldreddy2016@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request Mr. Swapneel Puppala at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cosecy@lokeshmachines.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cosecy@lokeshmachines.com. If you are Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

REGISTRATION OF E-MAIL ADDRESS BY SHAREHOLDERS WITH THE RTA & DETAILS FOR OBTAINING/ DOWNLOADING ELECTRONIC COPY OF ANNUAL REPORT AND AGM NOTICE.

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 Ltd. in case the shares are held in physical form.
2. Shareholders who have not registered their E-mail address and in consequence thereof, the Annual Report, Notice of AGM and e-voting instructions could not be served, may temporarily provide their e-mail address and mobile number to the Company's Registrar and Transfer Agent, M/s. Kfin Technologies Ltd. by writing to the e-mail id anandan.k@kfintech.com for sending the soft copy of the Annual Report, Notice of AGM and e-voting instructions along with the User ID and password. In case of any queries, Shareholders may write to anandan.k@kfintech.com or cosecy@lokeshmachines.com.
3. Shareholders may also visit the website of the Company www.lokeshmachines.com for downloading the Annual Report and Notice of the AGM.
4. Alternatively, Shareholders may send an e-mail request at the e-mail id anandan.k@kfintech.com/ cosecy@lokeshmachines.com along with scanned copy of the signed request letter providing the e-mail address, mobile number, self-attested PAN copy and Client Master copy, in case of electronic folio and copy of share certificates, in case of physical folio for sending electronically the Annual Report, Notice of AGM and the e-voting instructions.
5. Alternatively, member may send an e-mail request to evoting@nsdl.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 casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their PAN, Name, demat account number/ folio number, email id and mobile number at cosecy@lokeshmachines.com at least 10 days in advance before the start of the meeting i.e., by September 17, 2025, by 5.00 P.M. (IST). The same will be replied to by the Company suitably. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting

**General Guidelines for shareholders:**

1. The Company has appointed Mr. L.D. Reddy, Practicing Company Secretary, Hyderabad (M. No.13104, CP No. 3752) as the Scrutinizer for conducting the E-voting process in a fair and transparent manner.
2. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail ldreddy2016@gmail.com with a copy marked toevoting@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 to reset the password.
4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
5. In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or Members facing any technical issue in login can contact NSDL help desk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
6. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized in this regard, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
7. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.lokeshmachines.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of results by the Chairman or a person authorized by him. These 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 2024-25, 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 2024-25 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below: -

- a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAAR) supporting the registered address of the Member, by email to the Company's email address at cosecy@lokeshmachines.com.
- b) For Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

Place: Hyderabad
Date: August 12, 2025

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

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

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

PROFILE OF DIRECTORS
(Details of Directors proposed to be appointed/ re-appointed)

As required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under Secretarial Standard - 2, the particulars of Directors who are proposed to be appointed/ re-appointed and/or whose remuneration is proposed to be increased at the 41st Annual General Meeting, are given below:

The details of Board and Committee Meetings attended by these Directors during the year 2024-25 are stated in the Corporate Governance Report.

The details of remuneration are provided in the respective resolutions and in the Explanatory Statement

Particulars	Ms. Mullapudi Likhitha	Mr. K. Krishna Swamy
Age / DOB	30 Years	84 years
Brief resume of the Director including nature of expertise in specific functional areas	<p>Ms. M. Likhitha has completed her BE in integrated 3+1 program in Mechanical Engineering from PSG institute of Advanced Studies, Coimbatore, India and University of Hartford, Connecticut, USA.</p> <p>She has also done her ME in Mechanical Engineering with manufacturing and management specialisation from University of Hartford, Connecticut, USA.</p> <p>She has relevant experiences in the field of mechanical engineering, manufacturing and operational aspects of the industry.</p>	<p>Mr. K. Krishna Swamy has over 46 years of extensive experience in the design of various machine tools. He started his career with HMT in the year 1964 and after a tenure across its divisions, became the Chief Engineer incharge of its design department from 1978 to 1983. He has designed several notable machines, including Rotary Indexing Machines, Linear Transfer Machines, Line Boring Machines. Mr. Krishna Swamy is currently associated with the Company as a non-executive director, where his experience and expertise are crucial for the growth & development of new talent in the company design department.</p>
Date of First appointment on the Board	June 18, 2020	July 28, 1995
Directorship held in other companies (excluding foreign companies & section 8 companies)	MLR Motors Limited	NIL
Membership/ Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL
Inter-se Relationship between Directors	Related with Mr. M. Srinivas, Mr.M. Srikrishna & MR. M. Lokeswara Rao	Nil
No. of Shares held in the Company (singly or jointly as first holder)	5,54,190	12,000

Place: Hyderabad
Date: August 12, 2025

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

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

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

[illegible]

The Driving Force of Indian Auto Industry



**Lokesh
Machines Limited**

Corporate Office

Lokesh Machines Limited
B-29, EEIE Stage- II, Balanagar
Hyderabad - 500 037,
Telangana, India