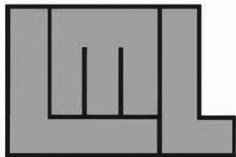


ANNUAL REPORT 2018-2019



**Lokesh
Machines Limited**

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BOARD OF DIRECTORS

Mr. M Lokeswara Rao	- Managing Director
Mr. B Kishore Babu	- Whole Time Director
Mr. M Srinivas	- Whole Time Director
Mr. M Srikrishna	- Whole Time Director
Mr. K Krishna Swamy	- Director
Mr. B R Mahesh	- Director
Mr. R Mohan Reddy	- Director
Mr. A. Vijay Kumar	- Director
Smt. Bhavana Rao	- Director

STATUTORY COMMITTEES

Audit Committee

Mr. B R Mahesh	- Chairman
Mr. R Mohan Reddy	- Member
Mr. A. Vijay Kumar	- Member
Mr. M Srinivas	- Member

Nomination & Remuneration Committee

Mr. R Mohan Reddy	- Chairman
Mr. A. Vijay Kumar	- Member
Mr. B R Mahesh	- Member

Stakeholders Relationship Committee

Mr. R Mohan Reddy	- Chairman
Mr. B Kishore Babu	- Member
Mr. M Srikrishna	- Member

Chief Financial Officer(CFO)

V.Sudhakara reddy

Company Secretary

Mr. Matru Prasad Mishra

BANKERS

State Bank of Hyderabad
Punjab National Bank
State Bank of India
Indusind Bank Limited

AUDITORS

M/s K.S Rao & Co.,
Chartered Accountants
Flat No 602, Golden Green Apartments
Irrum Manzil Colony
Hyderabad- 500 082

INTERNAL AUDITORS

M V Narayana Reddy & Co.
Chartered Accountants
Ameerpet, Hyderabad

REGISTRARS & TRANSFER AGENTS

Karvy Fintech Pvt. Ltd.
Karvy Selenium Tower B,
Plot No.31-32, Gachibowli
Financial District, Nanakramaguda,
Serilingampally,
Hyderabad - 500032
Phone : +91 40 67161591

REGISTERED OFFICE

B-29, EEIE, Stage II
Balanagar
Hyderabad – 500 037, Telangana, India

CIN: L29219TG1983PLC004319

WORKS

Temple Road, Bonthapally, Medak District, T.G	B – 25 & 36, EEIE, Stage II, Balanagar, Hyderabad, T.G	Ravalkol village, Medchal Mandal. Rangareddy Distt, T.G	Plot No 4 I, IDA Balanagar, Hyderabad T.G	Plot No D260/I Ranjangaon Industrial Area, MIDC, Shirur, Pune, Maharashtra
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NOTICE

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the Members of Lokesh Machines Limited will be held on Friday, 27th day of September, 2019 at 10.00 A.M. at Jubilee Hills International Centre, Near Jubilee Hills Check Post, Road No. 14, Hyderabad - 500 033 Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial Year ended March 31, 2019 together with the report of the Board of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr K Krishna Swamy (DIN: 00840887), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mr. B.R. Mahesh (DIN: 00810019) as Independent Director of the Company for the second term of 5 (five) consecutive years.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018, Mr. B.R. Mahesh (DIN: 00810019) Independent director of the Company and who holds the office upto 29.09.2019 and being eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold a office for the second term of 5 (five) consecutive years on the Board of the Company from 30.09.2019 to 29.09.2024”.

4. **Re-appointment of Mr. R. Mohan Reddy (DIN: 00841038) as Independent Director of the Company for the second term of 5 (five) consecutive years.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018 , Mr R. Mohan Reddy (DIN: 00841038) Independent director of the Company and who holds the office upto 29.09.2019 and being eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold a office for the second term of 5 (five) consecutive years on the Board of the Company from 30.09.2019 to 29.09.2024”.

5. Regularisation of Appointment of Mr. D. Balaji (DIN: 01872392) as an Independent Director of the Company.

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 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the rules made thereunder, (including any amendment, modification, variation or re-enactment thereof for the time being in force) read with Schedule IV of the Act the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the time being in force, Mr. D. Balaji (DIN: 01872392), who was appointed as an additional director of the Company by the Board of Directors on 14th August 2019 pursuant to Section 161 of the Act and who holds office upto the date of this Annual General Meeting and whose appointment is as recommended by the Nomination and Remuneration Committee, proposing his candidature for the office of Director, be and is hereby appointed as Independent director of the Company for a period of 5 years with effect from 14th August 2019 to 13th August 2024 and he shall not be liable to retire by rotation.”

6. Revision in the remuneration of Mr. B. Kishore Babu, Whole-time director of the company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

RESOLVED THAT Pursuant Sections 196, Section 197 and any other applicable provisions, if any of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 and the Rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company at their respective meetings, Consent of the Member be and is hereby accorded for upward revision of in the remuneration of Mr. B. Kishore Babu, Whole-time director of the Company i.e from Rs. 3,25,000/- per month to Rs. 4,50,000/- per month w.e.f 01st October, 2019 till remaining part of his tenure i.e. up to 30th September, 2021 as described below:

Salary of Rs. 4,50,000/- (Rupees Four Lakh fifty thousand only) per month.

He shall be entitled to receive the following:

- i) All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company.
- ii) Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the Companies Act, 2013 & the Rules made there under, Income Tax Act, 1961/ Rules made there under, FEMA Guidelines and as per RBI Regulations.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr. B. Kishore Babu including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate pursuant to the all the applicable provisions and Rules of the Companies Act, 2013 as amended thereof.

RESOLVED FURTHER THAT all the Directors of the Company be and is hereby severally authorised to take all such steps including filing of necessary e-forms with ROC, Hyderabad as may be as necessary, proper, expedient to give effect to this resolution.”

7. Revision in the remuneration of Mr. M. Srinivas, Whole-time director of the company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

RESOLVED THAT Pursuant Sections 196, Section 197 and any other applicable provisions, if any of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 and the Rules made there

under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company at their respective meetings, Consent of the Member be and is hereby accorded for upward revision of in the remuneration of Mr. M. Srinivas, Whole-time director of the Company i.e from Rs. 3,25,000/- per month to Rs. 4,50,000/- per month w.e.f 01st October, 2019 till remaining part of his tenure i.e. up to 30th September, 2021 as described below:

Salary of Rs. 4,50,000/- (Rupees Four Lakh and Fifty thousand only) per month.

He shall be entitled to receive the following:

- i) All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company.
- ii) Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the Companies Act, 2013 & the Rules made there under, Income Tax Act, 1961/ Rules made there under, FEMA Guidelines and as per RBI Regulations.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr. M. Srinivas including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate pursuant to the all the applicable provisions and Rules of the Companies Act, 2013 as amended thereof.

RESOLVED FURTHER THAT all the Directors of the Company be and is hereby severally authorised to take all such steps including filing of necessary e-forms with ROC, Hyderabad as may be as necessary, proper, expedient to give effect to this resolution.”

8. Revision in the remuneration of Mr. M. Srikrishna, Whole-time Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

RESOLVED THAT Pursuant Sections 196, Section 197 and any other applicable provisions, if any of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 and the Rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company at their respective meetings, Consent of the Member be and is hereby accorded for upward revision of in the remuneration of Mr. Srikrishna, Whole-time director of the Company i.e from Rs. 3,25,000/- per month to Rs. 4,50,000/- per month w.e.f 01st October, 2019 till remaining part of his tenure i.e. up to 30th September, 2021 as described below:

Salary of Rs. 4,50,000/- (Rupees Four Lakh and Fifty thousand only) per month.

He shall be entitled to receive the following:

- i) All expenses relating to telephone, mobile bills, and travelling, boarding, lodging and other expenses incurred for the purpose of business of the Company.
- ii) Any other allowances, benefits and perquisites, as the Board may from time to time decide in accordance with the Companies Act, 2013 & the Rules made there under, Income Tax Act, 1961/ Rules made there under, FEMA Guidelines and as per RBI Regulations.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr. M. Srikrishna including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate pursuant to the all the applicable provisions and Rules of the Companies Act, 2013 as amended thereof.

RESOLVED FURTHER THAT all the Directors of the Company be and is hereby severally authorised to take all such steps including filing of necessary e-forms with ROC, Hyderabad as may be as necessary, proper, expedient to give effect to this resolution.”

9. **Approval for Continuation of Mr. K. Krishna Swamy 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, approval be and is hereby granted to Mr. K. Krishna Swamy (DIN: 00840887) director of the Company to continue and hold office of non-executive director under the current tenure of appointment notwithstanding that he has attained the age of 75 years as on 25th December, 2015.

10. **Ratification of Remuneration of Cost-Auditors:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members be and is hereby given for payment of remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, to M/s DZR & Co, Cost Accountants to audit the cost records maintained by the Company for the financial year ending March 31, 2019.”

By Order of the Board
For LOKESH MACHINES LIMITED

Place: Hyderabad
Date: August 14, 2019

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

Matru Prasad Mishra
Company Secretary

NOTES:

- 1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 for the Special Business i.e. item 3 to 10, is annexed hereto. The relevant details (including profile and expertise in specific functional areas), pursuant to Regulation 26(4) and 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 re-appointment at this AGM is also annexed. The Directors have furnished the requisite consent/declarations for their appointment /re-appointment as required under Companies Act, 2013 and the Rules there under.
- 2) The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual –General Meeting is done away with vide notification dated 7th May, 2018 issued by Ministry of Corporate Affairs. Accordingly no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on 28th September, 2017.

3) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting

A Proxy Form is annexed to this Report. Proxies submitted on behalf of the companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable. Revenue stamp should be affixed on the proxy forms. Forms which are not stamped are liable to be considered invalid.

- 4) Members/Proxies should bring duly filled in Attendance Slips along with their copy of the Annual Report to the AGM.
- 5) The Annual Report of the company and other documents proposed to be sent through e- mail would also be made available on the Company's website.
- 6) Register of Directors and key managerial personnel and their shareholding maintained under section 170 of the companies Act, 2013 will be available for inspection by the members at the meeting.
- 7) Register of contracts or arrangements in which directors and Key managerial personnel are interested Maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the registered office of the Company.
- 8) Pursuant to the provisions of Section 124 read with Section 125 of the Companies Act, 2013(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. 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.
- 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 21st September, 2019 to 27th September, 2019 (both days inclusive).
- 10) Pursuant to the provisions of Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in prescribed Form (which will be made available on request) to the Registrar and Share Transfer Agents.

- 11) 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.
- 12) 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.
- 13) Members are requested to address all their correspondence including change of address, mandates etc. to the registrars viz. M/s. Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda Serilingampally, Hyderabad - 500 032, Phone : +91 40 67161591.
- 14) Pursuant to SEBI notification dated 8th June, 2018, transfer of shares in physical mode is prohibited and mandates holding in Demat mode except in case of transmission or transposition. Accordingly members are requested convert physical holding to demat through depository participant. Members may contact Company via mail to Cosecy@lokeshmachines.com or its RTA for any assistance in the process of physical to demat shares.
- 15) The Company's Equity shares are listed at Bombay Stock Exchange Ltd and National Stock Exchange Mumbai and the company has paid the Listing Fees to the said Stock Exchange for the financial year 2018-19.
- 16) Shareholders are requested to immediately notify the REGISTRARS AND SHARE TRANSFER AGENTS or the DEPOSITORY PARTICIPANTS (in case of shares which have been dematerialised) of any change in their address and/or bank account details to ensure correct and prompt receipt of the Dividend Warrants.
- 17) Corporate Members are requested to submit a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
- 18) Members are requested to bring the duly filled attendance slip along with their copy of the annual report to the meeting.
- 19) Relevant documents and registers will be available for inspection by the members at the registered office of the company.
- 20) In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions
- 21) As per the green initiatives issued by the Ministry of Corporate Affairs, all companies are allowed to send official documents to their shareholders electronically. Henceforth, we propose to send documents like notice convening the general meetings, financial statements etc. to the email address registered with the company.

We request you to register / update your email address with your depository participant / RTA to ensure that all documents reach you on your preferred email.

- 22) The annual report for 2018-19 is being sent by electronic mode only to the Members whose Email addresses are registered with the Company Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their Email addresses physical copies of Annual report 2018-19 are being sent by the permitted mode.
- 23) The Route Map showing directions to reach the venue of the AGM is enclosed.
- 24) **Voting through electronic means:**

In terms of Section 108 of Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and as per the requirement of Regulation 44 of the SEBI(Listing Obligations & Disclosures Requirements), 2015, the Company is providing the facility to its members holding shares in physical or Dematerialized form as on the cut – off date, i.e 20th September 2019 (i.e Record date) to exercise their right to vote by electronic means on any or all of the agenda items specified in the accompanying Notice of Annual General meeting Details of the process and manner of E-

Voting along with the user id and password are being sent separately to all the members along with the notice and e-voting services provided by Karvy Fintech Private Limited ("Karvy").

The e-voting facility will be available at the link <http://evoting.karvy.com> during the following voting period:

Commencement of e-voting : From 9 A.M. on 24th September, 2019 to 5 P.M. on 26th September, 2019.

- i. E-voting shall not be allowed beyond 5 p.m on 26th September 2019. During the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialised form, as on 20th September, 2019 may cast their vote electronically.
- ii. The Company has appointed Mr. L.D. Reddy (Practicing Company Secretary), Hyderabad as Scrutinizers for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

The procedure and instructions for e-voting are as follows:

The Company is pleased to provide e-voting facility to the shareholders of the Company to enable them to cast their votes electronically on the items mentioned in the Notice. The facility for voting by ballot or polling paper shall also be made available at the Annual General Meeting and the shareholders attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Mr. L.D. Reddy, Practising Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on 20th September 2019, being the Cut-off date for the purpose. The Shareholders of the Company holding shares either in dematerialised or in physical form, as on the Cut-off date, may cast their vote electronically. A person who is not a shareholder on the Cut-off date should treat this Notice for information purposes only.

The Process and manner for Remote e-voting are as under :

- I. Remote e-voting: In compliance with 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 the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
- (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.