



**Lokesh
Machines Limited**



Regd. Office :
B-29, EEIE Stage II, Balanagar,
Hyderabad - 500 037. T.S. INDIA.
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e-mail : info@lokeshmachines.com
URL : www.lokeshmachines.com
CIN : L29219TG1983PLC004319

Date: 14/05/2019

To, Bombay Stock Exchange Limited Department of Corporate Services Floor 25, PJ Towers, Dalal Street Mumbai- 400001 Scrip Code: 532740	To, National Stock Exchange of India Limited Listing Department Plot No. C/1, G Block, Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai- 400051 Company Code: LOKESHMACH
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Dear Sir/Madam,

Sub: Notice of Postal Ballot - Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015

In continuance to our letter dated 13th May, 2019 regarding Outcome of Board Meeting we wish to inform you that the Board of Directors had inter-alia approved the Postal Ballot Notice for seeking the approval of the members of the Company on the Resolutions as set out in the said Notice.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Kindly find enclosed Notice together with the Explanatory Statement and Postal Ballot Form that will be sent to members of the Company whose name appear on the Register of Members/List of Beneficial Owners as on Friday May 10, 2019.

On completion of dispatch of the said notice intimation shall be provided to the Exchange.

This is for your information and record.

Thanking You,
For Lokesh Machines Limited

Matru Prasad Mishra

Matru Prasad Mishra
Company Secretary





LOKESH MACHINES LIMITED

CIN: L29219TG1983PLC004319

Registered office: B-29, EEIE, Stage-II

Balanagar, Hyderabad- 500037

Telangana, India

Email: cosecy@lokeshmachines.com

Website: www.lokeshmachines.com

NOTICE OF POSTAL BALLOT

Dear Member(s),

NOTICE is hereby given that Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014 ('the Rules') and Secretarial Standard -2 issued by the Institute of Company Secretaries of India including any statutory modification and re-enactment thereof and other applicable laws and regulations for the time being in force for transacting the Special Business by the members of Lokesh Machines Limited (the Company) by passing Resolution appended below for approval by way of Postal Ballot.

The Board of Directors at its meeting held on Monday May 13, 2019 has appointed Mr. L.D. Reddy, Practicing Company Secretary, Hyderabad (CP No. 3752) as scrutinizer for conducting the postal ballot (physical and e-voting) in a fair and transparent manner.

This notice is being sent to all members whose name appears on the Register of members as on **Cut-off date i.e. Friday, May 10, 2019.**

The Proposed Resolution and explanatory statement stating material facts as required under Section 102 of the Companies Act, 2013 are annexed herewith for consideration of the members along with the Postal Ballot Form. The members are requested to pursue the proposed resolution along with the explanatory statement and carefully read the instructions printed in the Postal Ballot Form and return the duly completed form in all respects in the attached Self addressed Business Reply Envelope.

The duly completed Postal Ballot Form should reach the Scrutinizer not later than by **5.00 P.M on Sunday, June 16, 2019** to be eligible for being considered, failing which it will be strictly considered that no reply has been received from the Member. The Company is also providing E-voting facility for voting on the resolutions. Members desiring to opt for E-voting facility are requested to read the notes to the Notice of Postal Ballot and instructions given thereunder for E-voting purpose.

SPECIAL BUSINESS:

1. ISSUE OF CONVERTIBLE WARRANTS TO PROMOTERS/ PROMOTER GROUP OF THE COMPANY ON PREFERENTIAL BASIS:

To consider and give assent/dissent for passing the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62 (1) (c), Section 42 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as '**SEBI ICDR Regulations**') as amended or re-enacted from time to time and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and any other applicable laws, rules, regulations, circulars, notifications, clarifications, guidelines issued by the Government of India, the Securities and Exchange Board of India (SEBI) and the stock exchange where the shares of the Company are listed (Stock Exchanges) or any other authority/body (including any amendment thereto or re-enactment thereof) and enabling provisions in the Memorandum and Articles of Association of the Company and subject to necessary approvals, sanctions, permissions of appropriate statutory/regulatory or other authorities and persons, if applicable and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals / sanctions / permissions / consents, if any and which may be agreed by the Board of Directors of the Company (hereinafter referred to as "**the Board**") which term shall be deemed to include any committee(s), which the Board may constitute to exercise its powers, including the powers conferred on the Board by this resolution), Consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot from time to time, in one or more tranches by way of Preferential Issue in aggregate and upto 11,02,230 (Eleven Lakh Two Thousand Two Hundred and Thirty) Convertible Warrants ("**Warrants**") to the Promoter Group (hereinafter referred to as the "**Proposed Allottees**") for cash at a price of Rs. 50/- (Rupees Fifty only) per Warrant with right to the warrant holder to apply for and be allotted 1 (One) equity share of face value of Rs. 10/- each of the Company for each Warrant, at a premium of Rs. 40/- (Rupees Forty only) per share aggregating to Rs. 5,51,11,500/- (Rupees Five Crores Fifty One Lakhs Eleven Thousand and Five Hundred Only) in accordance with the provisions of SEBI (ICDR) Regulations, 2018 and on such terms and conditions as the Board may think fit, provided that Promoter's shareholding does not increase by more than 5% of the Equity Share capital in a Financial Year.

The details of the allottees are as under:

Sl. No.	Names of the Proposed Allottees	Indicative Amount (In Rupees)
1.	M. Lokeswara Rao	1,25,00,000
2.	M. Srinivas	1,25,00,000
3.	M. Likhita	1,25,00,000
4.	M. Srikrishna	1,76,11,500
Total		5,51,11,500

RESOLVED FURTHER THAT in accordance with the provisions of SEBI ICDR Regulations, 2018 the 'Relevant Date' for the purpose of determining the issue price of the Warrants shall be **Friday, May 17, 2019** being 30 (thirty) days prior to the date on which this resolution is deemed to have been passed i.e. the last date specified for receipt of the duly completed Postal Ballot Forms/E-Voting, i.e. **Sunday, June 16, 2019**.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to the following terms and conditions:

i) The Warrant holder shall, subject to the provisions of SEBI ICDR Regulations, 2018 and other applicable Rules, Regulations and laws be entitled to exercise the Warrants in one or more tranches within a period of 18 (Eighteen) months from the date of allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants to the Company specifying the number of Warrants proposed to be exercised. The Company shall accordingly issue and allot the corresponding number of Equity Shares of Rs. 10/- each to the Warrant holders.

ii) An amount of equivalent to 25% of the Warrant Issue Price shall be payable at the time of subscription and allotment of each warrant and the balance 75% shall be payable by the Warrant holder(s) on the exercise of the Warrant(s).

iii) In the event that, a Warrant holder does not exercise the Warrants within a period of 18 (Eighteen) months from the date of allotment of such Warrants, the unexercised Warrants shall lapse and the amount paid by the Warrant holders on such Warrants stands forfeited by Company.

iv) The Warrants by themselves, until exercise of the Conversion option and allotment of Equity Shares, do not give the Warrant holder thereof any rights akin to that of shareholder(s) of the Company.

v) The Company shall procure the listing and trading approvals for the Equity shares to be issued and allotted the Warrant holders upon exercise of the Warrants from the relevant Stock Exchanges in accordance with the Listing Regulations and all other applicable Laws, rules and Regulations.

vi) The Equity Shares so allotted on exercise of the Warrants shall be in dematerialized form and shall

be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend with the then existing Equity Shares of the Company.

vii) The Warrants and Equity shares issued pursuant to the exercise of the Warrants shall be locked-in as prescribed under the SEBI ICDR Regulations, 2018 from time to time.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to, do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable to give effect to the above resolutions, including without limitation to issue and allot Equity Shares upon exercise of the Warrants, to issue certificates, if required/clarifications on the issue and allotment of Warrants and thereafter Equity Shares further to exercise of the Warrants, effecting any modifications to the foregoing (including to determine, vary, modify or alter any of the terms and conditions of the Warrants including deciding the size and timing of any tranche of the Warrants), entering into contracts, arrangements, agreements, memoranda, documents to give effect to the resolutions above (including for appointment of agencies, consultants, intermediaries and advisors for managing issuance of Warrants and listing and trading of Equity Shares issued on exercise of Warrants), including making applications to Stock Exchanges for obtaining of in-principle approval, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other authorities as may be necessary for the purpose, seeking approvals from lenders (where applicable), to take all steps as may be necessary for the admission of the Warrants and Equity Shares (to be issued on exercise of the Warrants) with the depositories, viz. NSDL and CDSL and for the credit of such Warrant to the respective dematerialized securities account of the Proposed Allottees, and to delegate all or any of the powers conferred by the aforesaid resolutions on it to any committee of directors or any director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the above resolutions and also to initiate all necessary actions for and to settle all questions, difficulties, disputes or doubts whatsoever that may arise, including without limitation in connection with the issue and utilization of proceeds thereof, and take all steps and decisions in this regard."

RESOLVED FURTHER THAT Mr. Mullapudi Lokeswara Rao, Managing Director, Mr. B. Kishore Babu, Wholtime Director and Mr. Matru Prasad Mishra, Company Secretary of the Company or any such person as may be determined by the Board be and are hereby severally authorized to execute and file any and all requisite forms, documents, returns and/or deeds with any Regulatory authority in connection with the above resolutions (Including E-forms to be filed with the Registrar of Companies and applications/documents required to be made to the Stock Exchange to give effect to the aforesaid resolutions).

By Order of the Board

For Lokesh Machines Limited

Place: Hyderabad

Matru Prasad Mishra

Date: May 13, 2019

Company Secretary

NOTES:

1. The following is annexed with this Notice:
 - i) Explanatory statement pursuant to Section 102 of the Companies Act, 2013 read with Secretarial Standard on General Meetings (SS – 2) issued by the Institute of Company Secretaries of India in respect of the special business.
 - ii) Instructions for e-voting.
2. Documents referred to in the accompanying notice and explanatory statement thereto, will be open for inspection by members at the Registered Office of the Company during office hours between 11:00 am to 1:00 pm, on all working days except Sunday and National Holiday until the last date for receipt of votes by Postal Ballot/ e-voting i.e. Sunday, June 16, 2019
3. Pursuant to Sections 108 and 110 of Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide facility to the members to exercise their right to vote using an electronic voting system in respect of the resolution proposed to be considered though this Notice of Postal Ballot. The company has engaged services of Karvy Fintech Private Limited (hereinafter referred as "KFPL") to provide remote e-Voting facility of casting the votes by the members.
4. The members may cast their votes using an electronic voting system ("e-voting"). Members who do not have access to e-voting facility have the option to request for physical copy of the Ballot Form by sending an e-mail request to Cosecy@lokeshmachines.com by mentioning their Folio/DP ID and Client ID No or download from Company's website www.lokeshmachines.com. However, the duly completed Ballot Form should reach to the Scrutinizer not later than Sunday, June 16, 2019 at 5:00 pm (IST). A Member can opt for only one mode of voting i.e. either through e-voting or by postal ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and the postal ballot shall be treated as invalid.
5. Notice is being sent to all Members/ beneficiaries, whose names appear on the Register of Members/ Record of Depositories as on **Cut off Date i.e. Friday, May 10, 2019**, and a person whose name is not appearing on the Register of Members / Record of Depositories as on Cut-off Date should treat this Notice for information purposes only. Voting rights shall be reckoned on the shares registered in the name of members as on that date. The Postal Ballot Notice is being sent by e-mail to the members who have registered their email addresses for receipt of documents in electronic form with their Depository Participants (in case of electronic shareholding)/ the Company's Registrar and Transfer Agent (in case of physical shareholding). For members of the Company whose e-mail addresses are not registered, physical copies of the Postal Ballot Notice and the Postal Ballot Form are being sent by permitted mode along with self-addressed business reply envelope. The Postal Ballot Notice may also be accessed on Company's website i.e. www.lokeshmachines.com. In addition, the result will also be published in the newspapers for the information of the members.
6. Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrars and Transfer Agents / Depository Participant(s) for sending future communication(s) in electronic form.
7. Based on the consent received from Mr. L.D. Reddy, (ACS No. 13104, C.P. No. 3752) Practicing Company Secretary, Hyderabad the Board has appointed him as the Scrutinizer to scrutinize the e-voting and postal ballot process in a fair and transparent manner.
8. The voting shall be reckoned in proportion to the member's share of the paid-up equity share capital of the Company as on the date reckoned in Note 5 above.
9. **Members can opt for only one mode of voting i.e. either voting by Ballot Forms or by e-voting. In case, members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Forms shall be treated as invalid.**
10. The Scrutinizer shall prepare a consolidated Scrutinizer's Report on the total votes cast in favour or against, if any. The said report will be countersigned by the Chairman or a person authorized by him in writing and the results of the voting shall be declared on Tuesday, June 18, 2019. The result shall also be communicated to Stock Exchanges and the same along with Scrutinizer's Report will be uploaded on the website of the Company www.lokeshmachines.com **The Scrutinizer's decision on the validity of the Postal Ballot will be final and binding.**
11. The Resolution, if passed by requisite majority, will be deemed to be passed on the last date specified for receipt of duly completed Postal Ballot Form or e-voting i.e. **Sunday, June 16, 2019**. Further, resolutions passed by the members through postal ballot and remote e-voting are deemed to have been passed effectively at a general meeting.

12. Members who opt to vote by postal ballot shall ensure that they carefully read the instructions printed on the Postal Ballot Notice/Postal Ballot Form and return the duly completed and signed Ballot Forms in the enclosed self-addressed business reply envelope (postage whereof shall be borne and paid by the Company) so as to reach the Scrutinizer on or before **5:00 pm on Sunday, June 16, 2019**. Ballot Forms, if sent by courier or by registered/speed post or hand delivered at the address given on the self – addressed business reply envelope (at the expense of the Members) shall also be accepted. Please note that the Ballot Forms received after the aforementioned date shall be treated as if reply from the Members have not been received. Unsigned / blank / incomplete/ defaced/ mutilated/ incorrectly ticked Ballot Forms will be rejected. Members cannot exercise their vote by proxy on Postal Ballot. Members desiring to exercise their vote through e-voting are requested to read the information and other instructions relating to e-voting as mentioned below.

INFORMATION AND OTHER INSTRUCTIONS RELATING TO E-VOTING:

E-voting period commences on Saturday, May 18, 2019 at 9:00 am (IST) and ends on Sunday, June 16, 2019 at 5:00 pm (IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, May 10, 2019 may cast their votes electronically. The e-voting module shall be disabled by Karvy thereafter.

In case of any queries or grievances relating to e-Voting, members may refer to help and Frequently Asked Questions (FAQs) and E-Voting user manual available at the download section of <https://evoting.karvy.com> (Karvy website) or contact Mr. Anandan, Unit: Lokesh Machines Limited, of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or mail at evoting@karvy.com or phone no. 040 – 6716 1591 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

The Process and manner of Remote E-voting are as under:

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 (KFPL) on the resolution set forth in this Notice.

(A) i. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants:

ii. Launch internet browser by typing the URL: <https://evoting.karvy.com>. 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.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company' i.e. Lokesh Machines Limited

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email: l.d.reddy@gmail.com with a copy marked to

evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name Event No."

(B) In case of Members receiving physical copy of Notice [for Members whose Email IDs are not registered with the Company/Depository Participants (s)]:

i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Postal Ballot Form.

ii. Please follow all steps from Sl. No. (i) to (xi) above to cast your vote by electronic means.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1

In order to meet the funding requirements of the Company's and for general corporate purpose, the Board of Directors of the Company in its meeting held on Monday, May 13, 2019 accorded its approval for raising funds through issuance of upto 11,02,230 (Eleven Lakh Two Thousand Two Hundred and Thirty) Convertible Warrants ("Warrants") to the proposed allottees as set out below, being promoters of the Company ("Proposed Allottees") on a preferential basis by way of private placement subject to approval of the members of the Company.

As per the provisions of Section 42, Section 62(1) (c) of the Companies Act, 2013 (as amended) and other applicable provisions of Companies Act, 2013, if any read with Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014 along with other applicable Rules, and Regulation 160 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, along with all other SEBI Regulations, as may be applicable, a listed issuer is permitted to make a preferential issue of specified securities, if a special resolution has been passed by its members.

Accordingly, the approval of the members of the Company is being sought, by way of a special resolution, to create, offer, issue and allot, Warrants, by way of Preferential Issue to the Proposed Allottees.

The relevant details / disclosures of the proposed issue are given below:

1. The Warrants are proposed to be allotted which can be converted into Equity Shares for an aggregate amount of upto INR 5,51,11,500/- (Rupees Five Crore Fifty one Lakh Eleven Thousand and Five Hundred only) and Price not being lower than the price determined in accordance with Chapter V of the SEBI (ICDR) Regulations, 2018. With regard to the Warrants, 25% of the consideration will be payable upfront and the balance 75% will be payable at the time of allotment of Equity Shares pursuant to exercise of the warrants.

2. The Warrants and the Equity shares allotted pursuant to the abovementioned resolutions shall be subject to lock-in in accordance with Regulations 167 and 168 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be applicable.
3. The Equity Shares allotted pursuant to conversion of warrants shall rank pari passu inter-se with the then existing equity shares of the Company in all respects, including in relation to dividend.

The disclosures prescribed under the Companies Act, 2013 read with the applicable Rules and Regulation 163 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be applicable, in respect of the Resolution proposed at Item No. 1 is as follows:

a) The objects of the preferential issue:

The object(s) of the preferential issue is to meet funding requirements of the Company and for general corporate purpose.

b) Type and number of securities to be issued

The resolutions set out in the accompanying notice authorize the Board to issue and allot to the promoters / members of the promoter group, upto 11,02,230 (Eleven Lakh Two Thousand Two Hundred and Thirty) convertible Warrants on a preferential basis by way of private placement at a price of Rs. 50/- per warrant, each convertible into one (1) Equity Share of face value of Rs. 10/- at a premium of Rs. 40/- per share aggregating to Rs. 5,51,11,500/- (Rupees Five Crore Fifty One Lakh Eleven thousand and Five Hundred only)

Basis on which the Price has been arrived at:

Assuming the relevant date to be May 13, 2019 i.e. date of Board Meeting in which Notice has been approved by the Board of Directors of the Company, the price of the Convertible warrants is Rs. 50/- per warrant, which is higher than the minimum price determined in accordance with the provisions of SEBI ICDR Regulations, 2018. However, Relevant date for the preferential issue will be **Friday May 17, 2019** and accordingly the price per Convertible Warrant shall be calculated in accordance with the provisions of SEBI ICDR Regulations, 2018 based on such Relevant date. The issue price should not be less than the price determined in accordance with Chapter V Regulation 164(1) of the SEBI (ICDR) Regulations, 2018.

c) Proposal / Intent of the promoters, directors or key management personnel of the Company to subscribe to the offer:

All the Proposed Allottees are promoters /members of the promoter group of the Company.

d) Equity Shareholding Pattern of the Company before and after the Preferential Issue:

The table mentioned below shows the expected shareholding pattern of the Company consequent to issue of Warrants as per resolutions at Item No. 1 to this notice and assuming (a) the entire 11,02,230 (Eleven Lakh Two thousand two hundred and thirty) Warrants are subscribed by the Proposed Allottees; and (b) conversion of all the Warrants (Convertible within a period of 18 (eighteen) months from the date of allotment) proposed to be allotted to the promoters/ members of the promoter group of the Company as per resolutions at Item 1 above:

Sr. No.	Category	Pre-issue Shareholding (Refer Note 1)		Issue of Warrants (each warrant is convertible into one equity share)	Post Issue Shareholding Considering the conversion of warrants in FY 2019-20		
		No. of shares held	% of share-holding		No. of shares held	% of share-holding	
A.	Promoters' Holdings			Convertible Warrants 11,02,230			
1.	Indian						
	Individual	89,32,505	49.91			1,00,34,735	52.82
	Bodies Corporate	-	-			-	-
	Sub-total	89,32,505	49.91			1,00,34,735	52.82
2.	Foreign Promoter				-	-	
	Sub Total (A)	89,32,505	49.91		1,00,34,705	52.82	
B.	Non Promoters' Holding						
1	Institutional Investors	3,71,398	2.08		3,71,398	1.95	
2	Non-Institutional						
	Private Corporate Bodies	9,73,553	5.44		9,73,553	5.12	
	Directors & Relatives	Nil	-		Nil	-	
	Indian Public	71,42,698	39.91		71,42,698	37.60	
	Other (including NRIs)	4,76,616	2.66		4,76,616	2.51	
	Sub Total (B)	89,64,265	50.09		89,64,265	47.18	
	GRAND TOTAL	1,78,96,770	100.00		1,89,99,000	100.00	

Notes:

1. Pre issue shareholding pattern has been prepared based on shareholding of the Company as on May 10, 2019.
2. Assuming the post issue holding of all the other shareholders will remain the same, as it was on the date, on which the Pre- issue shareholding pattern was prepared.
3. Assuming the conversion of warrants may happen in FY 2019-20.

Name of proposed allottees and the percentage of post preferential offer capital that may be held by them:

Sr. No.	Name of Proposed Allottees	Pre-issue		Issue of Convertible Warrants (each warrant is convertible into one equity share)	Post Issue of Equity Shares considering the conversion of Warrants in FY 2019-20	
		No. of shares held	% of share-holding		No. of shares held	% of share-holding
1.	M. Lokeswara Rao	5,53,093	3.09	Warrant – 2,50,000	8,03,093	4.23
2.	M. Srinivas	19,21,615	10.74	Warrant - 2,50,000	21,71,615	11.43
3.	M. Likhita	5,54,190	3.10	Warrant - 2,50,000	8,04,190	4.23
4	M. Srikrishna	18,12,271	10.13	Warrant - 3,52,230	21,64,501	11.39

e) Proposed time frame within which the preferential issue shall be completed

The Warrants, pursuant to the Issue, shall be allotted within a period of 15 (Fifteen) days from the date of approval of the members to the preferential issue (i.e., the last date for receipt of postal ballot or e-voting is **Sunday, June 16, 2019**), provided that where the said allotment is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 (Fifteen) days from the date of such approval.

f) Identity of the natural persons who are ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the proposed allottees

The details of the Proposed Allottees who are natural persons (belonging to Promoter/Promoter Group) have already mentioned in the resolution. No change in control or management is contemplated consequent to the proposed preferential issue of Warrants. However, voting rights will change in accordance with the shareholding pattern after conversion of Warrants into Equity Shares. For post issue share capital, please refer to point (d).

g) Undertaking by the Company

The Company hereby undertakes that:

- (a) It will re-compute the price of the Warrants, in terms of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be applicable and if required ;
- (b) If the amount payable on account of re-computation of price of the Warrants is not paid within the time stipulated Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be applicable, the Warrants shall continue to be locked in till the time such amount is paid by the Proposed Allottees.
- (c) The Equity Shares of the Company are frequently traded shares as per SEBI ICDR Regulations, 2018.

h) Lock in

The Warrants and Equity Shares to be allotted to the Proposed Allottees upon conversion of the Warrants, including the pre-preferential allotment shareholding of the Proposed Allottees will be subject to applicable lock-in and transfer restrictions stipulated under Regulations 167 and 168 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be applicable.

i) Auditor's Certificate

A copy of the certificate from the Company's statutory auditor certifying that the issue is being made in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be applicable, shall be open for inspection at the registered office of the Company between 11:00 am to 1:00 pm on all working days except Sunday and National Holiday until the Last date for receipt of votes by Postal Ballot /E-voting i.e. **Sunday, June 16th, 2019**.

j) In accordance with the SEBI ICDR Regulations, 2018

(i) all the Equity Shares held by the Proposed Allottees in the Company are in dematerialized form only and the Company has obtained the Permanent Account Number of the Allottees.

(ii) No person belonging to the promoters / promoter group have sold any Equity Shares of the Company during the 6 (Six) months preceding the Relevant Date;

(iii) No person belonging to the promoters / promoter group has previously subscribed to any warrants of the Company but failed to exercise them;

(iv) the Company and none of its promoters or directors is a willful defaulter or a fugitive economic offender; and

(v) Valuation requirement is not applicable as the securities are proposed to be issued for cash consideration.

(vi) The Company is in compliance with the conditions for continuous listing of equity shares as specified in the Listing Agreement with the stock exchange.

The issue of Convertible Warrants and Equity shares thereof shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall be made in Demat mode only.

The Board of Directors of the Company recommends passing of the resolutions as set out at Item Nos. 1 as a Special Resolution.

Except Mr. M. Lokeswara Rao, Mr. M. Srinivas, Mr. M. Likhita and Mr. M. Srikrishna and their respective relatives who are being part of the Promoter Group of the Company, none of the other directors or any key managerial personnel or any relative of any of the other directors / key managerial personnel of the Company are, in any way concerned or interested, financially or otherwise, in the above referred resolutions.

**By Order of the Board
For Lokesh Machines Limited**

**Date : May 13, 2019
Place : Hyderabad**

**Matru Prasad Mishra
Company Secretary**

LOKESH MACHINES LIMITED

CIN: L29219TG1983PLC004319

Reg Office: B-29, EEIE, Stage-II, Balanagar, Hyderabad – 500037 Tel: 040-23079310

Website: www.lokeshmachines.com, Email id: cosecy@lokeshmachines.com

POSTAL BALLOT FORM

(Please read the instructions carefully before filling this form)

Serial No. :

1. Name(s) & Registered address
of the Sole/first named Member :

2. Name(s) of the Joint - Holder(s), if any :

3. Registered Folio/DPID and Client ID No :
(*Applicable to Investors holding shares
in dematerialised form)

4. Number of shares held :

I / We hereby exercise my / our vote in respect of the Special Resolution to be passed through postal ballot for the Special business stated in the Notice dated May 13, 2019 of the Company by conveying my / our assent or dissent to the said resolution by placing a tick (☐) mark in the appropriate box below:

S. No	Brief particulars of the item	No of Equity Shares Held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	Special Resolution for the approval for Issue of Convertible Warrants to Promoters/Promoter Group of the Company on Preferential basis.			

Place:

Date:

.....
Signature of the Member

Important Note: Please complete and return this Postal Ballot Form to the Scrutinizer by using the enclosed Postage pre-paid self addressed Business Reply Envelope. Last date for receipt of this Postal Ballot Form by the Scrutinizer is Sunday, June 16, 2019.

Electronic voting particulars

The e-voting facility is available at the link <https://evoting.karvy.com>. The electronic voting particulars are set out as follows:

EVEN (E-voting Event Number)	User ID	Password

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
May 18, 2019 at 9:00 Hours IST	June 16, 2019 at 17:00 Hours IST

Note: Please read carefully the instructions printed overleaf before exercising the vote through this form and for e-voting, please refer the instructions for e-voting in the notice attached herewith.

INSTRUCTIONS

1. Members may fill up the Postal Ballot Form and return the Form duly completed to The Scrutinizer, C/o- Karvy Fintech Private Limited Unit: Lokesh Machines Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500032, so as to reach by 5.00 pm on June 16, 2019. The Ballot Form received thereafter will strictly be treated as if not received.
2. Members may request for a duplicate postal Ballot form to RTA of the Company Karvy Fintech Private Limited Unit: Lokesh Machines Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500032 or download the same from the Company's website www.lokeshmachines.com
3. The Company will not be responsible if the envelope containing the Postal Ballot Form is lost in transit.
4. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
5. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
6. The right of voting by Ballot Form shall not be exercised by a proxy.
7. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. M/s Karvy Fintech Pvt. Ltd.). Members are requested to keep the same updated.
8. There will be only one Ballot Form for every Folio/DP ID/CLIENT ID irrespective of the number of joint members.
9. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
10. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
11. Instructions for e-voting procedure are available in the Postal Ballot Notice and are also placed on the website of the Company, www.lokeshmachines.com and <https://evoting.karvy.com>. For further details members are requested to refer the same.
12. In case of any query, you may refer Help & FAQ section of <https://evoting.karvy.com> (Karvy Website) or call Karvy on 040- 44655000 & Toll Free No.1800 3454 001.
13. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date May 10, 2019.
14. The e-voting period commences on May 18, 2019 (9.00 a.m. IST) and ends on June 16, 2019 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on May 10, 2019 may cast their vote electronically.
15. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he / she / it shall not be allowed to change it subsequently.
16. The Scrutinizer's decision on the validity of Postal Ballot Form shall be final.
17. Any query in relation to resolution proposed to be passed by Postal Ballot may be sent to Cosecy@lokeshmachines.com.
18. The result of the voting on the Resolution will be declared on Tuesday June 18, 2019 and will also be uploaded on the website of the Company www.lokeshmachines.com besides being communicated to the stock exchanges.