



**Lokesh  
Machines Limited**



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

Date: 31/08/2019

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

**Subject: Submission of Notice of 35<sup>th</sup> Annual General Meeting (AGM) of the Company under Regulation 30 of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015**

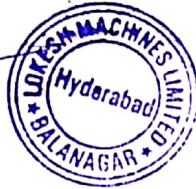
Pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 we are enclosing the Notice of ensuing 35<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on Friday, September 27, 2019.

This is for your information and record.

For Lokesh Machines Limited

*Matru Prasad Mishra*

Matru Prasad Mishra  
Company Secretary



## NOTICE

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the Members of Lokesh Machines Limited will be held on Friday, 27<sup>th</sup> 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 14<sup>th</sup> 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 14<sup>th</sup> August 2019 to 13<sup>th</sup> 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 01<sup>st</sup> October, 2019 till remaining part of his tenure i.e. up to 30<sup>th</sup> 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 01<sup>st</sup> October, 2019 till remaining part of his tenure i.e. up to 30<sup>th</sup> 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 01<sup>st</sup> October, 2019 till remaining part of his tenure i.e. up to 30<sup>th</sup> 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 25<sup>th</sup> 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 7<sup>th</sup> 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 28<sup>th</sup> 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 21<sup>st</sup> September, 2019 to 27<sup>th</sup> 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 8<sup>th</sup> 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 20<sup>th</sup> 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 24<sup>th</sup> September, 2019 to 5 P.M. on 26<sup>th</sup> September, 2019.

- i. E-voting shall not be allowed beyond 5 p.m on 26<sup>th</sup> September 2019. During the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialised form, as on 20<sup>th</sup> 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 20<sup>th</sup> 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.



- 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 Attendance Slip.
  - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.
- A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

#### **OTHER INSTRUCTIONS**

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & 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. K. (Unit: Lokesh Machines Ltd) of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@karvy.com](mailto: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.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on 24<sup>th</sup> September, 2019 (9.00 A.M. IST) and ends on 26<sup>th</sup> September 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 the cut-off date of 20<sup>th</sup> September, 2019,

may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 20<sup>th</sup> September, 2019.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e. 20<sup>th</sup> September, 2019 he/she may obtain the User ID and Password in the manner as mentioned below :
  - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399  
 Example for NSDL:  
 MYEPWD <SPACE> IN12345612345678  
 Example for CDSL:  
 MYEPWD <SPACE> 1402345612345678  
 Example for Physical:  
 MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Member may call Karvy's toll free number 1800-3454-001.
  - iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

#### **PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN/ATTENDANCE REGISTRATION**

2. Web Check-in / Attendance Registration: Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- a. Log on to <https://karisma.karvy.com> and click on
- b. "Web Checkin for General Meetings (AGM/EGM/CCM)".
- c. Select the name of the company: Name of the Company
- d. Pass through the security credentials viz., DP ID/Client ID/Folio no. entry, PAN No & "CAPTCHA" as directed by the system and click on the submission button.
- e. The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.
- f. The attendance slip in PDF format will appear on the screen. Select the "PRINT" option for direct printing or download and save for the printing.
- g. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
- h. After registration, a copy will be returned to the Member.

- i. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e. 24<sup>th</sup> September 2019 (9.00 A.M. IST) to 26<sup>th</sup> September 2019 (5.00 P.M. IST).
- j. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose

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

**Place: Hyderabad**  
**Date: August 14, 2019**

**Matru Prasad Mishra**  
**Company Secretary**

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## Explanatory Statement

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

**Item # 3**

Mr. B.R. Mahesh (DIN: 00810019) was appointed as Non- Executive Independent Director of the Company in the AGM held on 30th September, 2014 as per the terms of the Companies act, 2013 for a period of five years and they hold office upto 29<sup>th</sup> September, 2019.(first term)

It is proposed to re-appoint him as Independent Director, not liable to retire by rotation for the second term of 5(five) consecutive years with effect from 30<sup>th</sup> September, 2019. As per Section 149 of the Companies Act, 2013 (The Act) such re-appointment requires the approval of the shareholders by way of Special Resolution.

Nomination and Remuneration Committee and Board of Directors of the Company have recommended the said re-appointment. Both the Nomination and Remuneration Committee and the Board were of the opinion that, after evaluating his performance, skills, experience, competency and other attributes it concluded that, his continued association would be immense benefit to the Company and its is desirable to continue to avail his services as Independent director.

Mr. B.R. Mahesh (DIN: 00810019) fulfil the terms and conditions specified under the Companies Act, 2013 and Rules made there under for his appointment as Independent director. He meets the criteria of Independence as prescribed both under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI(LODR) Regulations, 2015.

Also the Board believes that his experience and vision will contribute to the growth of the Company and also in steering best Corporate Governance practices.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 3 of the Notice for continuation of his appointment.

Except Mr. B.R. Mahesh None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the said resolution.

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

**Item # 4**

Mr. R. Mohan Reddy (DIN: 00841038) was appointed as Non- Executive Independent Director of the Company in the AGM held on 30th September, 2014 as per the terms of the Companies act, 2013 for a period of five years and they hold office upto 29<sup>th</sup> September, 2019.(first term)

It is proposed to re-appoint him as Independent Director, not liable to retire by rotation for the second term of 5(five) consecutive years with effect from 30<sup>th</sup> September, 2019. As per Section 149 of the Companies Act, 2013 (The Act) such re-appointment requires the approval of the shareholders by way of Special Resolution.

Nomination and Remuneration Committee and Board of Directors of the Company have recommended the said re-appointment. Both the Nomination and Remuneration Committee and the Board were of the opinion that, after evaluating his performance, skills, experience, competency and other attributes it concluded that, his continued association would be immense benefit to the Company and its is desirable to continue to avail his services as Independent director.

Mr. R. Mohan Reddy (DIN: 00841038) fulfil the terms and conditions specified under the Companies Act, 2013 and Rules made there under for his appointment as Independent director. He meets the criteria of Independence as prescribed both under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI(LODR) Regulations, 2015.

SEBI has amended the LODR, Regulations, 2015 vide Circular dated 9th May, 2018 which require re-appointment/continuance of any Non-Executive Director who has attained the age of 75 years old to be approved

by the Shareholders by way of a Special Resolution. Henceforth members approval sought by way of Special Resolution in terms of Regulation 17 of SEBI(LODR) Regulations. Hence this Special Resolution is placed before the shareholders.

Also the Board believes that his experience and vision will contribute to the growth of the Company and also in steering best Corporate Governance practices.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 4 of the Notice for continuation of his appointment.

Except Mr. R. Mohan Reddy None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the said resolution.

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

#### **Item # 5**

The Board of Directors of the Company at their meeting held on 14<sup>th</sup> August, 2019 Pursuant to Section 161 of the Companies Act, 2013 (the Act) on the recommendation of Nomination and Remuneration Committee had appointed Mr. D. Balaji (DIN: 01872392) as an Additional director(Independent) of the Company w.e.f. 14<sup>th</sup> August, 2019 and he will hold office upto the date of this Annual General Meeting .Mr. D. Balaji is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013 and has given consent to act as a director. The Company has received a declaration from Mr. D. Balaji that he meets the criteria of Independence as prescribed under sub section 6 of Section 149 of the Act and under the SEBI (LODR) Regulations, 2015. Details of Mr. D. Balaji are provided in the "Annexure" to the Notice pursuant to SEBI(LODR) Regulations, 2015 and SS-2 issued by the Institute of Company Secretaries of India. Hence the Board recommends the resolution in relation to appointment of Mr. D. Balaji as Independent director of the Company for approval by the shareholder.

Except Mr. D. Balaji , none of the directors , Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in this resolution.

#### **Item # 6**

The members of the Company at the 34<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2018 had approved the re-appointment of Mr. B. Kishore Babu as Whole-time Director of the Company and the terms of remuneration payable to him for the period from 01<sup>st</sup> October, 2018 to 30<sup>th</sup> September, 2021.

The members had inter-alia approved salary in the scale of Rs. 3,25,000/- per month. The monthly salary of Mr. B. Kishore Babu with effect from 01<sup>st</sup> October, 2018 is Rs. 3,25,000/- per month.

In view of the increased responsibility and the volume of the business activities, it is considered that existing remuneration is low in comparison with the other Companies dealing in the same line of business activities, therefore based on the recommendation of Nomination and Remuneration Committee, the Board of Directors approved on dated 14<sup>th</sup> August, 2019 to revise the salary scale applicable to Mr. B. Kishore Babu from the existing Rs. 3,25,000/- per month to Rs. 4,50,000/- per month.

All other terms and conditions relating to his re-appointment as approved as earlier by the members remain unchanged.

Detail of remuneration paid to Mr. B. Kishore Babu during the financial year 2018-19 has been disclosed in the Corporate Governance Report.

Accordingly Board recommends the resolution for your approval as a Special Resolution. Except Mr. B. Kishore Babu and his relatives none of the directors, Key Managerial Personnel or their Relatives are in any way concerned or interested in the said resolution.

**Item # 7**

The members of the Company at the 34<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2018 had approved the re-appointment of Mr. M. Srinivas as Whole-time Director of the Company and the terms of remuneration payable to him for the period from 01<sup>st</sup> October, 2018 to 30<sup>th</sup> September, 2021.

The members had inter-alia approved salary in the scale of Rs. 3,25,000/- per month. The monthly salary of Mr. M. Srinivas with effect from 01<sup>st</sup> October, 2018 is Rs. 3,25,000/- per month.

In view of the increased responsibility and the volume of the business activities, it is considered that existing remuneration is low in comparison with the other Companies dealing in the same line of business activities, therefore based on the recommendation of Nomination and Remuneration Committee, the Board of Directors approved on dated 14<sup>th</sup> August, 2019 to revise the salary scale applicable to Mr. M. Srinivas from the existing Rs. 3,25,000/- per month to Rs. 4,50,000/- per month.

All other terms and conditions relating to his re-appointment as approved as earlier by the members remain unchanged.

Detail of remuneration paid to Mr. M. Srinivas during the financial year 2018-19 has been disclosed in the Corporate Governance Report.

Accordingly Board recommends the resolution for your approval as a Special Resolution. Except, Mr. M. Srinivas, Mr. M. Lokeswara Rao Mr. M. Srikrishna and their relatives none of the directors, Key Managerial Personnel or their Relatives are in any way concerned or interested in the said resolution.

**Item # 8**

The members of the Company at the 34<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2018 had approved the re-appointment of Mr. M. Srikrishna as Whole-time Director of the Company and the terms of remuneration payable to him for the period from 01<sup>st</sup> October, 2018 to 30<sup>th</sup> September, 2021.

The members had inter-alia approved salary in the scale of Rs. 3,25,000/- per month. The monthly salary of Mr. M. Srikrishna with effect from 01<sup>st</sup> October, 2018 is Rs. 3,25,000/- per month.

In view of the increased responsibility and the volume of the business activities, it is considered that existing remuneration is low in comparison with the other Companies dealing in the same line of business activities, therefore based on the recommendation of Nomination and Remuneration Committee, the Board of Directors approved on dated 14<sup>th</sup> August, 2019 to revise the salary scale applicable to Mr. M. Srikrishna from the existing Rs. 3,25,000/- per month to Rs. 4,50,000/- per month.

All other terms and conditions relating to his re-appointment as approved as earlier by the members remain unchanged.

Detail of remuneration paid to Mr. Srikrishna during the financial year 2018-19 has been disclosed in the Corporate Governance Report.

Accordingly Board recommends the resolution for your approval as a Special Resolution. Except Mr. M. Srikrishna Mr. M. Lokeswara Rao, Mr. M. Srinivas, and their relatives none of the directors, Key Managerial Personnel or their Relatives are in any way concerned or interested in the said resolution.

**Item # 9**

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

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

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 9 of the Notice for continuation of his appointment.

Board recommends the resolution for your approval as a Special Resolution

Except Mr. K. Krishna Swamy None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the said resolution.

#### Item # 10

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. DZR& Co., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019 at a remuneration of Rs 50000/- as audit fee, and GST as applicable and out of pocket expenses shall be paid on actual.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

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. 10 of the Notice.

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

The information as required to be disclosed as per Item No. 6, 7 and 8 under the Schedule V of the Companies Act, 2013 as under:

#### I. General Information

1	Nature of Industry	Machine Tool Industry	
2	Date or expected date of commencement of commercial production	Already existing in business	
3	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.	
4	Financial Performance based on given Indicators	Particulars	Amount (Rs. In Cr.)
		Total Revenue from operations	191.39
		Operating Profit(PBDIT)	32.21
		Finance Cost	12.90
		Depreciation & Amortization exp	9.13
		Exceptional Items	-
		Profit before tax(PBT)	10.19
		Profit after Tax(PAT)	6.77
5	Export Performance and Net Foreign Exchange Collaborations	Rs. 6.31 Cr. is from Export sales.	
6	Foreign Investment or Collaboration, if any	There is no foreign investment or foreign collaboration in the Company. However NRI is holding 0.54% of total paid-up Share capital of the Company as on 31 <sup>st</sup> March, 2019	

**II. Information about the Appointee:**

Particulars	Mr. B. Kishore Babu	Mr. M. Srinivas	Mr. M. Srikrishna
1 Background Details	Mr. B. Kishore Babu is an Engineering Graduate. He has 40 years of vast experience in the machine tool Industry.	Mr. M. Srinivas MS in Industrial Engineering. He has 24 years of vast experience in the machine tool Industry.	Mr. M. Srikrishna, Bachelor of Engineering has undergone training initially in the designs and manufacture of General Purpose Machines. He has 20 years of experiences in Machine tool Industry.
2 Past Remuneration	Rs. 39.00 Lakh p.a.	Rs. 39.00 Lakh p.a.	Rs. 39.00 Lakh p.a.
3 Recognition or awards	NIL	NIL	NIL
4 Job Profile and his suitability	Mr. B. Kishore Babu is taking care of production, administration and other operational affairs of the Company. Since his tenure as Whole time director he has steered the Company with dedication, hard work and effective leadership into diversified activities resulting in the profitable growth of the Company.	Mr. M. Srinivas is taking care of production, administration and other operational affairs of the Company. Since his tenure as Whole time director he has steered the Company with dedication, hard work and effective leadership into diversified activities resulting in the profitable growth of the Company.	Mr. M. Srikrishna is taking care of production, administration and other operational affairs of the Company. Since his tenure as Whole time director he has steered the Company with dedication, hard work and effective leadership into diversified activities resulting in the profitable growth of the Company.
5 Remuneration Proposed	Upto Rs. 54.00 Lakh P.a.	Upto Rs. 54.00 Lakh P.a.	Upto Rs. 54.00 Lakh P.a.
6 Comparatively remuneration profile with respect to industry, size of the Company, profile of the position and person( in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is comparable with remuneration for an equivalent position in a unit of comparable size and complexity.		
7 Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel , if any	Promoter Director holding 6.07% equity share capital of the Company	Promoter Director holding 10.74% equity share capital of the Company	Promoter Director holding 10.13% equity share capital of the Company



**III. Other Information:**

1	Reason of loss or inadequate profits	The Company's total income during the year ended 31 <sup>st</sup> March, 2019 is increased by 4.24% & the Turnover increased by 8.86% and the PBT has increased by 42.36% over that of the previous year as can be seen from the table given below;																				
		<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2"></th> <th colspan="2" style="text-align: right;">(Rs. In Cr)</th> </tr> <tr> <th colspan="2"></th> <th style="text-align: right;">Total Income</th> <th style="text-align: right;">PBT</th> </tr> </thead> <tbody> <tr> <td style="width: 10%;"></td> <td style="width: 10%;">2016-17</td> <td style="width: 15%; text-align: right;">132.13</td> <td style="width: 15%; text-align: right;">3.44</td> </tr> <tr> <td></td> <td>2017-18</td> <td style="text-align: right;">183.61</td> <td style="text-align: right;">7.16</td> </tr> <tr> <td></td> <td>2018-19</td> <td style="text-align: right;">191.39</td> <td style="text-align: right;">10.19</td> </tr> </tbody> </table> <p>However, the profit has been inadequate as per Sec 197 read with Schedule V of the Companies Act, 2013 since the volume of business is low, margins are low and the expenses are high. The Company has plans to increase the volume to a higher level and cut down the expenses thereby improving the margins.</p>			(Rs. In Cr)				Total Income	PBT		2016-17	132.13	3.44		2017-18	183.61	7.16		2018-19	191.39	10.19
		(Rs. In Cr)																				
		Total Income	PBT																			
	2016-17	132.13	3.44																			
	2017-18	183.61	7.16																			
	2018-19	191.39	10.19																			
2	Steps taken or proposed to be taken for improvement	The Board is confident that once the Machine tool Sector revives, the overall business of the Company will further grow.																				
3	Expected increase in productivity and profits in measurable terms	The revenue is expected to grow at a modest level of 10% during the year. Revenue will grow at a higher level 10% to 20% in coming years.																				

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

**i) Mr K. Krishna Swamy (DIN: 00840887)**

Name of the Director	Mr K. Krishna Swamy
Date of Birth	25-12-1940
Designation	Non Executive- Non-Independent Director
Educational Qualifications	Bachelor of Technology(Mechanical)
Nature of Expertise	Nearly 53 years of experience in the field of Mechanical Division.
Relationship with other Directors of the Company	Nil
Name of listed entities in which person holds the directorship and the membership of Committees of the Board	Nil
No of Shares held in the company	12,000

**ii) Mr. B.R. Mahesh (DIN:00810019)**

Name of the Director	Mr B.R. Mahesh	
Date of Birth	16-06-1953	
Designation	Non Executive- -Independent Director	
Educational Qualifications	Chartered Accountant (CA)	
Nature of Expertise	A Practising Chartered Account having 37 years of experience in the field of finance, accounts and taxation.	
Relationship with other Directors of the Company	Nil	
Name of other entities in which person holds the directorship and the membership of Committees of the Board	Directorship	Committee Membership
	BADHE TECH SOLUTIONS PVT. LTD. BADHE PACKAGING INDUSTRIES PVT. LTD. BADHE REALTORS PVT. LTD. BADHE RESTAURANTS & HOTELS PVT. LTD.	NIL
No of Shares held in the company	NIL	

**iii) Mr. R. Mohan Reddy (DIN:00841038)**

Name of the Director	Mr R. Mohan Reddy	
Date of Birth	20-07-1939	
Designation	Non Executive- -Independent Director	
Educational Qualifications	BE (Mechanical) & MBA	
Nature of Expertise	Having wide experience as a business executive and has served many PSUs in senior Managerial Position.	
Relationship with other Directors of the Company	Nil	
Name of other entities in which person holds the directorship and the membership of Committees of the Board	Directorship	Committee Membership
	NELCAST Limited	Audit Committee Nomination & Remuneration Committee Stakeholders Relationship Committee
	M.L.R. Motors Limited	NIL
	NC Energy Limited	Audito Committee, Nomination & Remuneration Committee
No of Shares held in the company	Nil	

**iv) Mr. D. Balaji (DIN: 01872392)**

Name of the Director	Mr D. Balaji
Date of Birth	06-01-1967
Designation	Non Executive- Independent Director
Educational Qualifications	Mechanical Engineering
Nature of Expertise	More than a decade of experience in the field of Mechanical Engineering Division.
Relationship with other Directors of the Company	Nil
Name of other entities in which person holds the directorship and the membership of Committees of the Board	Nil
No of Shares held in the company	Nil