

Resilience.
Rebuilding.
Readiness.

Annual Report 2025-26



LOKESH MACHINES LIMITED

42nd Annual General Meeting of Shareholders

22 September 2026

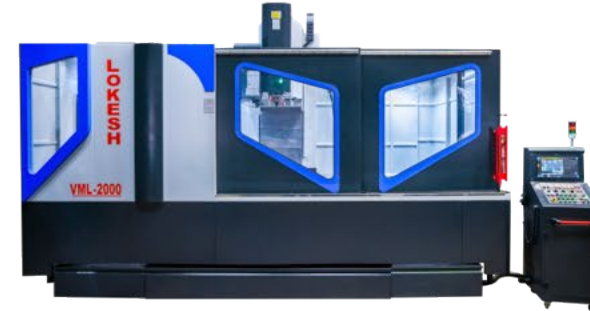
Through Video Conferencing / Other Audio-Visual Means

BSE: 532740 | NSE: LOKESHMACH



2025-26

was a year of
resilience under constraint,
a rebuilt operating base,
and
readiness for reopening



● Held Firm Through a Constrained Year

- Revenue from operations of ₹208.56 crore against ₹228.32 crore; Machinery grew 29.6% to ₹194.91 crore as Components contracted to ₹14.70 crore with principal-customer supplies suspended
- Total expenses fell 10.7%, faster than revenue, on cuts across materials, employee and manufacturing costs

● Profitability Restored

- EBITDA rose to ₹38.25 crore from ₹28.50 crore, with the margin recovering to 18.34% from 12.48%
- Profit after tax of ₹3.86 crore against ₹0.54 crore; EPS of ₹1.95 against ₹0.29; net worth up 7.3% to ₹228.30 crore

● Reopening and Readiness

- Delisting effective 30 June 2026 reopened USD, EUR and export channels; a Board-overseen export compliance programme is now in place
- Order book of ₹271 crore as of 12 August 2026, above all of FY26 revenue; ₹35 crore of promoter capital infused across FY26 and Q1 FY27

Resilience, rebuilding and readiness run through Lokesh Machines' operations, financials and strategy

Recent Timeline

From a peak base, through two constrained years, to a reopening order book



● Total income (FY24–FY26) ● Order book, 12 August 2026 (FY27 YTD)

FY24 — Peak base

Total income peaked at ₹295.22 crore, with revenue from operations of about ₹294 crore, before supplies to the principal Auto Component customer were suspended.

FY25 — Disruption and response

Supplies to the principal Auto Component customer were suspended after the October 2024 OFAC designation, cutting revenue by about 22%, as the Company began diversifying its customer base.

FY26 — Held firm, rebuilt the base

Indigenous small arms delivered to the Indian Army, a private-sector first; hot-forging lines commissioned at Pune; five machines productionised; ₹11.79 crore of promoter capital infused.

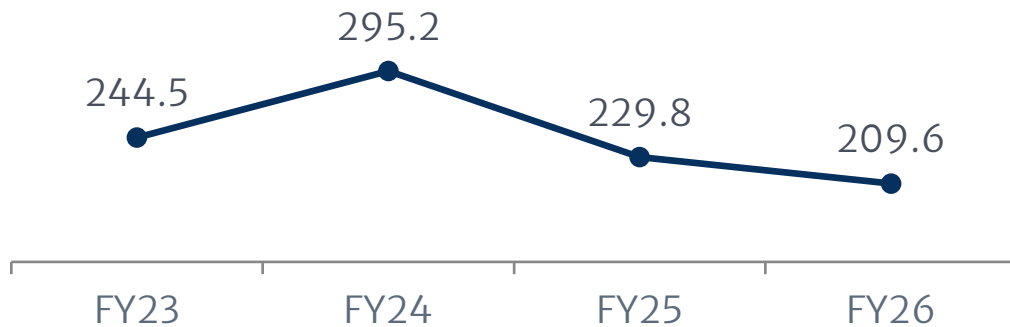
FY27 YTD — Reopening

Delisted on 30 June 2026. Defence and Forgings restored to ₹15.55 crore of revenue; a ₹58.21 crore MoD order lifted the order book to ₹271 crore as of 12 August 2026.

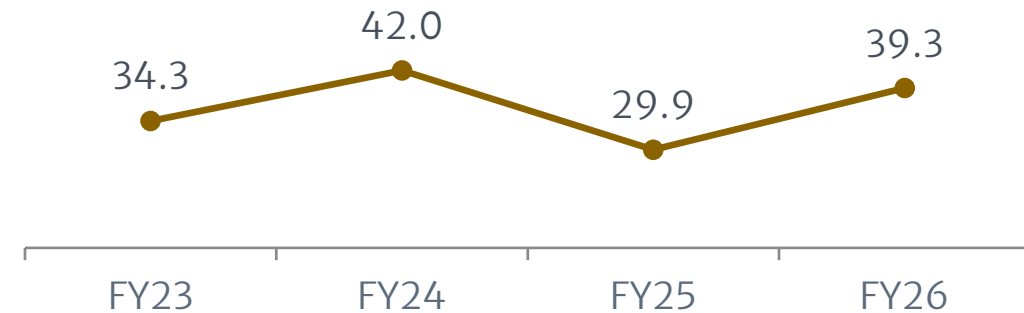
Key Numbers

Profitability restored on a reset revenue base, with equity strengthened through the period

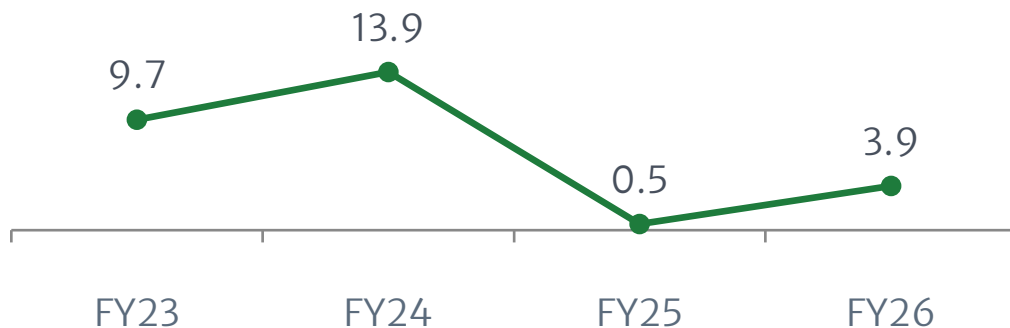
Total income reset (₹ Cr)



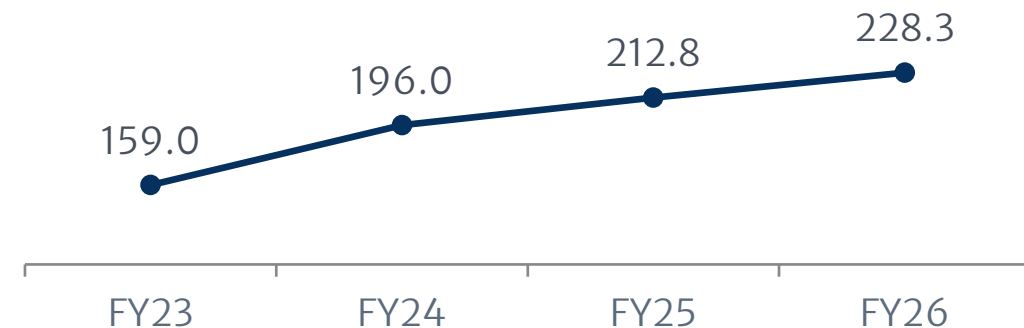
EBITDA recovered on mix and cost control (₹ Cr)



PAT firmly positive again (₹ Cr)



Capital employed kept rising (₹ Cr)



*EBITDA on the total-income basis; on the MD&A basis,
FY26 EBITDA is ₹38.25 crore (18.34% margin) against ₹28.50 crore (12.48%) in FY25.*

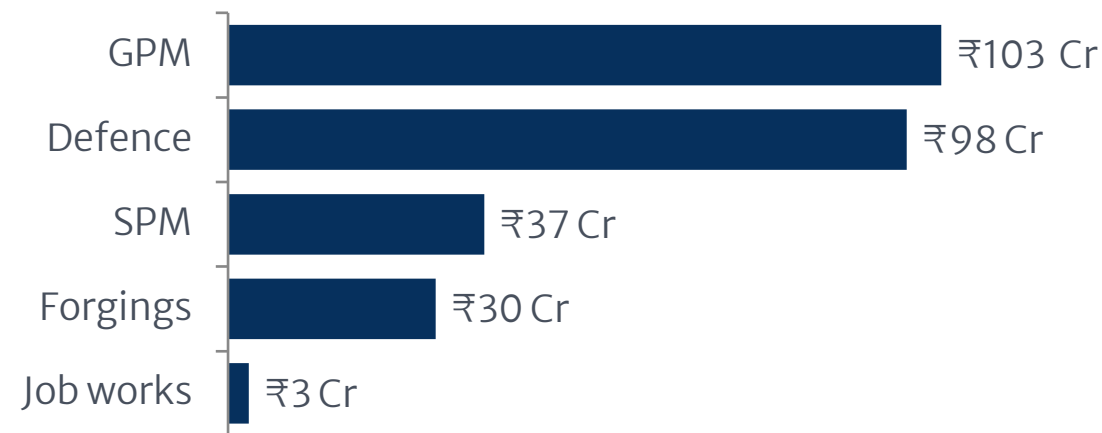
Revenue Mix and Order Book

Machinery carried the year; the order book of ₹271 crore now exceeds FY26 revenue with defence over a third

Segment performance (₹ crore)

	FY26	FY25
Machinery division		
Revenue	194.91	150.38
Segment PBIT	28.94	14.57
Defence and Forgings division		
Revenue	14.70	79.41
Segment PBIT	0.32	6.66
Company		
Revenue from operations	208.56	228.32
Total income	209.62	229.76

Order book composition, 12 Aug 2026



₹271 Cr
order book

₹61 Cr
above FY26 revenue

36%
defence share

Machinery grew 29.6% on non-automotive order intake and a favourable mix

Components contracted 81.5% as principal-customer supplies were suspended for most of the year.

Defence drives the order book with the ₹58.21 crore MoD (Army) order received 15 July 2026

The Opportunity

Import substitution & defence indigenisation give domestic tailwind; the export channel has reopened

● India

- Capital-goods output growing at a double-digit pace
- PLI schemes and Atmanirbhar Bharat
- Automotive OEM capex cycle
- EV motor housings and battery structures

● Global

- European and US markets addressable again
- Export replication at Tier-1 OEMs' plants abroad
- Aerospace indigenisation demand

● Innovation Drivers

- 5-axis and turn-mill machining centres
- Laser-based hybrid additive manufacturing
- Gantry and robotic automation
- Small-arms platforms from 9 mm to 30 mm

Regulatory Opportunities

- DGQA registration and a DPIIT recommendation for heavier-calibre manufacture
- Government reservation of defence procurement for domestic manufacturers

Industry-wide Trends

- Steady adoption of automation and Industry 4.0 on Indian shop floors
- Shortage of skilled CNC programmers and mechatronics engineers

Strategy Map

Our Purpose

Precision engineering for India's manufacturing and defence future, pairing four decades of machine-tool expertise with in-house R&D to serve automotive OEMs, Tier-1 suppliers and the Armed Forces

Financial

Working Capital, Debt & Margins

- Convert the FY26 inventory build to despatches; tighten receivables
- Apply accruals and preferential proceeds to reduce borrowings

Sales

Customer Diversification

- Onboard new Tier-1 clients to reduce Auto Component concentration
- Deepen engagement with the Ministry of Defence and DPSUs

Expansion

Export Re-entry & Defence Growth

- Re-enter European and US markets as banking channels normalise
- Pursue CAPF and Armed Forces tenders on DGQA registration

Internal Process

Operational Excellence

- Shop-floor automation and cycle-time reduction

Innovation & Product Development

- Commercialise new 5-axis and turn-mill machines

Sustainability & Governance

- Rooftop solar and export-compliance protocols

Organisational Learning

Capability Development

- Upskilling in multi-axis CNC programming and mechatronics

export re-entry | defence expansion | working-capital discipline | customer diversification

Manufacturing and R&D

Six manufacturing units across Hyderabad and Pune, backed by in-house design and institutional research

Strategic Manufacturing Footprint

Hyderabad, Telangana

Registered office at Balanagar, plus Bonthapally, Medchal and Toopran units

- CNC, SPM and defence manufacturing; in-house design and R&D
- AS 9100, ISO 9000 and DGQA-registered quality systems

Ranjangaon-Pune, Maharashtra

MIDC Shirur industrial area

- Precision auto components: cylinder blocks, heads, connecting rods
- New hot-forging lines; Axle, EV drive-train components etc.

Breakthrough Capabilities

IIT Madras and RRCAT

Hybrid additive systems and 5-axis machining; eHAM3 commissioned at IIT Indore

Thirteen FY26 machine-tool projects

Five machines productionised, including 5-axis and turn-mill centres

Five defence products

Indigenous carbine, MMG upgrade kit and LMG/GPMG/MMG platforms

Trust Indicators

6

manufacturing units

43+

years since 1983

545

employees, FY26

5,000+

clients served

7+

export countries

₹271 Cr

order book

Certifications and Credentials

Quality systems, defence registrations and credit ratings



AS 9100 / ISO 9000

Aerospace and general quality management systems



DGQA Registration

Quality assurance for high-precision defence assemblies



DPIIT Form VII

Recommendation for HMG manufacture, 12.7 to 30 mm



ACUITE & CARE BBB-/A3

Investment-grade; both removed from rating watch in FY26



Army & CAPF Induction

Indigenous small arms delivered; a private-sector first



Export Compliance Programme

End-user and end-use checks, overseen by the Board

Note: certifications are product- and site-specific

Strategic Portfolio for Future Growth

Order-book shares as of 12 August 2026 (₹271 crore); job works make up the remaining 1%

1 General Purpose Machines *38% of the order book*

- Core product line: CNC turning, machining centres and VTLs
- Low lead-time; converts to revenue within the year

2 Special Purpose Machines & Automation *14% of the order book*

- Cam and crank boring, transfer lines; higher realisation
- Gantry, robotic and 4th/5th-axis automation

3 Auto Components & Forgings *11% of the order book (forgings)*

- Cylinder blocks, heads and connecting rods; new hot-forging lines
- New Hot Forging lines yielding new diversified customer base and gradual improvement in revenues from the latter half of the year.

4 Defence & Aerospace *36% of the order book*

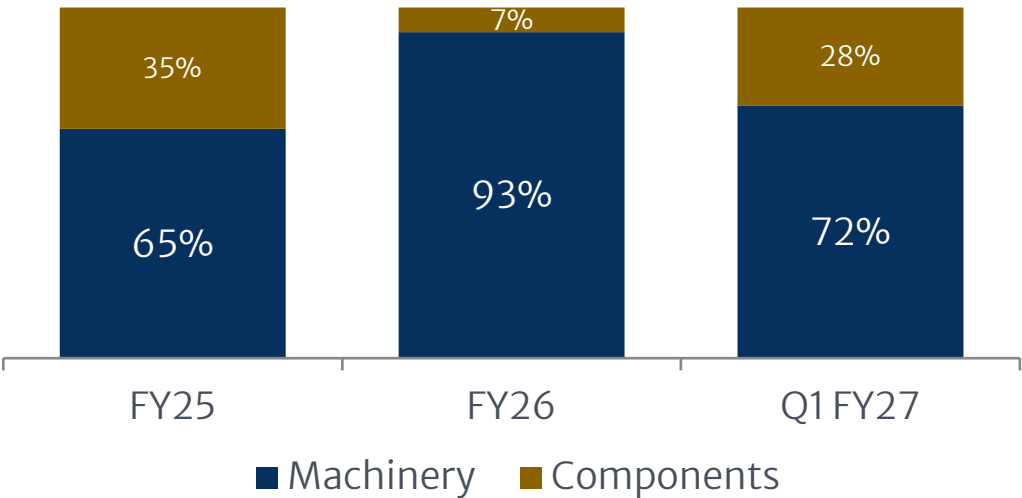
- Indigenous small arms; first private-sector supplier to the Army
- ₹58.21 crore MoD order for MMG kits received July 2026

Import Substitution | Defence Indigenisation | Higher-Realisation Product Mix

Diversified Markets, Balanced Customers

A Machine Tools, SPM and Defence-led revenue base spread across more customers than the Components model

Segment revenue mix



Share of segment revenue; Q1 FY27 per the unaudited results

Marquee clientele

Machine Tools: Tata Motors, Mahindra, John Deere, Ashok Leyland, Honda, Caterpillar, Bajaj, Escorts

Defence: Indian Army, Assam Rifles, NSG, BSF, DRDO

End-markets served

Automotive OEM and Tier-1 makers	Defence Army and CAPFs via DGQA
Aerospace Precision machining demand	Railways Rolling-stock modernisation
EV & renewables Motor housings, battery parts	General engineering South and West India clusters

- Machinery rose to 93% of segment revenue in FY26; the restored OEM relationship rebalanced the mix to 72:28 in Q1 FY27
- Diversification into new Tier-1 clients and forgings aims to avoid reproducing single-customer dependence

Takeaway

- **Established Position**

Four decades of machine-tool manufacturing since 1983, six units, 5,000+ clients in 7+ countries

- **Resilience Demonstrated**

A full year under constraint: costs cut 10.7%, EBITDA margin restored to 18.34%, PAT up seven-fold

- **Reopening Achieved**

Delisting completed on 30 June 2026, reopening banking, counterparty and export channels

- **Readiness for Recovery**

Order book of ₹271 crore above FY26 revenue, 36% in defence, and ₹35 crore of promoter capital infused

- **Risk-Aware Priorities**

Working-capital conversion, debt reduction, customer diversification and a higher-realisation mix

**Precision
engineering for
India's
manufacturing
and defence future**

Resilience. Rebuilding. Readiness.



Thank you

Lokesh Machines Limited

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This presentation may contain forward-looking statements subject to risks and uncertainties; actual results could differ materially. Figures are drawn from the audited standalone FY2025-26 financial statements and the Company's stock-exchange filings; subsequent-period figures are for context only.

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