

NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of Lokesh Machines Limited will be held on Wednesday September 28th, 2016 at 11.00 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, 2016 and the report of the Board of Directors' and the Auditors' thereon.
2. To declare dividend on equity shares of the company.
3. 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
4. To Ratification the appointment of the Statutory Auditors of the Company and fix their Remuneration:
To Consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014 and other applicable rules, if any (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s.Brahmayya & Co, Chartered Accountants, (Registration No.000513S), as Statutory Auditors of the Company, who have been appointed as a statutory auditors of the Company in the last 30th Annual General Meeting for a period of 3 years subject to the ratification of members in every Annual General Meeting.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.

SPECIAL BUSINESS:

5. **Revision in the Remuneration of Mr. M Lokeswararao as Managing Director of the Company :**
To Consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:
in partial modification of the resolution passed by the members at the 31st Annual General Meeting of the Company held on 28th September, 2015 for the Re-appointment of Mr. M.Lokeswararao [DIN: 00989447], as the Managing Director of the Company and the terms of remuneration payable to him and pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves with effect from 01-04-2016, the revision in the salary scale applicable to Mr M.Lokeswararao [DIN: 00989447], as detailed in the statement forming part of this notice.
"FURTHER THAT the Board of Directors be and are hereby authorized to alter or vary the scope of remuneration of Mr. M Lokeswararao (DIN No. 00989447), Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified herein and the Companies Act, 2013."
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."
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 in partial modification of the resolution passed by the members at the 31st Annual General Meeting of the Company held on 28th September, 2015 for the Re-appointment of Mr. B.Kishore Babu (DIN No. 00840630) as the whole time Director of the Company and the terms of remuneration payable to him and pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves with effect from 01-04-2016, the revision in the salary scale applicable to Mr B.Kishore Babu (DIN No. 00840630), as detailed in the statement forming part of this notice.

"FURTHER THAT the Board of Directors be and are hereby authorized to alter or vary the scope of remuneration of Mr. B.Kishore Babu (DIN No. 00840630) Whole time Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified herein and the Companies Act, 2013."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and 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 in partial modification of the resolution passed by the members at the 31st Annual General Meeting of the Company held on 28th September, 2015 for the Re-appointment of Mr. M.Srinivas (DIN No. 00917565) as the whole time Director of the Company and the terms of remuneration payable to him and pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves with effect from 01-04-2016, the revision in the salary scale applicable to Mr M.Srinivas (DIN No. 00917565) as detailed in the statement forming part of this notice.

"FURTHER THAT the Board of Directors be and are hereby authorized to alter or vary the scope of remuneration of Mr. M.Srinivas (DIN No. 00917565) Whole time Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified herein and the Companies Act, 2013."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and 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 a Special Resolution:

RESOLVED THAT in partial modification of the resolution passed by the members at the 31st Annual General Meeting of the Company held on 28th September, 2015 for the Re-appointment of Mr. M.Srikrishna (DIN No. 00841388) as the whole time Director of the Company and the terms of remuneration payable to him and pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves with effect from 01-04-2016, the revision in the salary scale applicable to Mr M.Srikrishna (DIN No. 00841388) as detailed in the statement forming part of this notice.

"FURTHER THAT the Board of Directors be and are hereby authorized to alter or vary the scope of remuneration of Mr. M.Srikrishna (DIN No. 00841388) Whole time Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified herein and the Companies Act, 2013."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

9. Appointment of Mr. Atluri Vijay Kumar as an Independent Director

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

"RESOLVED THAT Mr. Atluri Vijay Kumar (DIN: 01655185), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28 June, 2016 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, appointment of Atluri Vijay Kumar (DIN: 01655185), (who meets the criteria for independence) as provided in Section 149(6) of the Act as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 years with effect from 28th June, 2016 be and is hereby approved."

10. Ratification of Remuneration to 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 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, payable to M/s DZR&Co, Cost Accountants to audit the cost records maintained by the Company for the financial year ending March 31, 2017, be and is hereby approved and ratified."

11. Ratification typo graphical errors in the EGM (Extra Ordinary General Meeting) of Shareholders Held on 10th June, 2016

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

"RESOLVED THAT consent of the members be and is hereby accorded to ratify the resolution with regard to item no.3 and its Explanatory Statement accompanying the notice to the Extraordinary General Meeting of the shareholders conducted on 10th June, 2016 and Ratification Points as follows :

1. Item No :3 Relevant date shall be read as 11th may 2016 instead of 10th May 2016
2. The Explanatory statement Item No 3 of point no. 9 shall be read as 11th may 2016 instead of 10th May 2016

By Order of the Board
For Lokesh Machines Limited

Place: Hyderabad
Date: August 12, 2016

D. Raghavendra Rao
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
- 2) **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.
- 3) Members/Proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
- 4) 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
- 5) 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.
- 6) 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
- 7) 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 24th September, 2016 to 28th September, 2016 (both days inclusive).
- 8) 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.
- 9) 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.
- 10) 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
- 11) An explanatory statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto in respect of business set out under item's no's 5-11.
- 12) Members are requested to address all their correspondence including change of address, mandates etc. to the registrars viz. M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda Serilingampally, Hyderabad - 500 008, Phone : +91 40 67161524, Fax : +91 40 23001153.
- 13) 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 2016-17.
- 14) 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.

- 15) 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.
- 16) Members are requested to bring the duly filled attendance slip along with their copy of the annual report to the meeting.
- 17) Relevant documents and registers will be available for inspection by the members at the registered office of the company.
- 18) 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
- 19) As per the green initiatives issued by the Ministry of Corporate Affairs, all companies are allowed to send official documents to their shareholders electronically. Henceforth, we propose to send documents like notice convening the general meetings, financial statements etc. to the email address registered with the company.

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.

- 20) The annual report for 2015-16 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 2015-16 are being sent by the permitted mode
- 21) In terms of Section 108 of Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and as per the requirement of listing agreement with the stock exchanges, the Company is providing the facility to its members holding shares in physical or Dematerialized form as on the cut - off date, i.e September 21st 2016 (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 Computershare Private Limited ("Karvy").

The e-voting facility will be available at the link <http://evoting.karvy.com> during the following voting period :
Commencement of e-voting : From 9 A.M. on 24th September, 2016 to 5 P.M. on 27th September, 2016.

- i. E-voting shall not be allowed beyond 5 p.m on 27th September 2016. During the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialised form, as on 19th September,2016 may cast their vote electronically.
- ii. The Company has appointed Mr. S.Chidambaram, (Practicing CompanySecretary)Hyderabad as Scrutinizers for conducting the e-voting process for the Annual General Meeting in a fair and transparent man

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. S.Chidambaram, 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 21st September 2015, 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 Computershare 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'
 - 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 :schid285@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)]:
- E-Voting Event Number - XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
 - 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

- 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 K.S.Reddy, (Unit: Lokesh Machines Ltd) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 - 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- 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).
- The remote e-voting period commences on 24th September, 2016 (9.00 A.M. IST) and ends on 27th September 2016 (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 19th September, 2016, 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.
- 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. 21st September, 2016.
- 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., 21st September, 2016, he/she may obtain the User ID and Password in the manner as mentioned below :
- 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
- 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.
- Member may call Karvy's toll free number 1800-3454-001.

- iv. Member may send an e-mail request to 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 "Web Checkin for General Meetings (AGM/EGM/CCM)".
- b. Select the name of the company: Name of the Company
- c. 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.
- d. The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.
- e. 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.
- f. 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.
- g. After registration, a copy will be returned to the Member.
- h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e., 24th September 2016 (9.00 A.M. IST) to 27th September 2016 (5.00 P.M. IST).
- i. 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 12, 2016

D. Raghavendra Rao
Company Secretary

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

Item # 5:

The members of the Company at the 31st th Annual General Meeting of the Company held on 28 September, 2015, had approved the Re-appointment of Mr. M.Lokeswararao as Managing Director of the Company and the terms of remuneration payable to him for the period from 01st October, 2015 to 30th September, 2018.

The members had inter alia approved, salary in the scale of Rs. 3,50,000 per month, The monthly basic salary of Mr. M.Lokeswararao with effect from 01st October, 2015 is Rs. 3,50,000

Taking into consideration his present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on 12th August, 2016 decided to revise the salary scale applicable to Mr. M.Lokeswararao from the existing Rs. 3,50,000 to Rs. 5,00,000 per month.

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

Details of remuneration paid to Mr. M.Lokeswararao during the Financial Year 2015-16 have been disclosed in the annexure to the Directors' Report and in the Corporate Governance Report.

Details as per Part II, Section II of Schedule V of the Companies Act, 2013:

A statement along with the notice calling the general meeting referred to in clause (iii) is given to the shareholders containing the following information namely: -

I	General Information															
1.	Nature of industry	Machine Tools Industry														
2.	Date or expected date of commercial production	Company started the commercial operations immediately after obtaining the Certificate of Commencement of Business on December 17, 1983.														
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.	<table><tr><td>Particulars</td><td>Amount (Rs. in lakhs)</td></tr><tr><td>Total Revenue from operations</td><td>12198.20</td></tr><tr><td>Operating Profit (PBITD)</td><td>2628.81</td></tr><tr><td>Finance cost</td><td>1535.87</td></tr><tr><td>Depreciation and amortization expense</td><td>740.83</td></tr><tr><td>Exceptional items</td><td>-</td></tr><tr><td>Profit after Tax (PAT)</td><td>213.81</td></tr></table>	Particulars	Amount (Rs. in lakhs)	Total Revenue from operations	12198.20	Operating Profit (PBITD)	2628.81	Finance cost	1535.87	Depreciation and amortization expense	740.83	Exceptional items	-	Profit after Tax (PAT)	213.81
Particulars	Amount (Rs. in lakhs)															
Total Revenue from operations	12198.20															
Operating Profit (PBITD)	2628.81															
Finance cost	1535.87															
Depreciation and amortization expense	740.83															
Exceptional items	-															
Profit after Tax (PAT)	213.81															
5.	Foreign investments or collaborations, if any.	N.A														
II	Information about the appointee															
1.	Back ground details	Mr.M Lokeswararao. He has 47 years vast experience in the machine tool industry.														
2.	Past remuneration	Rs. 60 lakhs Per Annum														
3.	Recognition or awards	NIL														
4.	Job profile and his suitability	He has been taking care of production, administration and other operational affairs of the Company. Since his tenure as Managing Director, he has steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations.														
5.	Remuneration proposed	Rs. 60 lakhs Per Annum														
6.	Comparative 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)	Around Rs 5,00,000/- Per Month														
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Promoter Director														
III	Other information															
1.	Reasons of loss or inadequate profits	The Company's total Income during the year ended 31st March, 2016, the Turnover increased by 2.48 % and the PBT has														

		increased by 37% over that of the previous year, as can be seen from the Table given below; (Rs. in lakhs)												
		<table> <tr> <th></th><th>Total Income</th><th>PBT</th></tr> <tr> <td>2013-14</td><td>11407.02</td><td>105.56</td></tr> <tr> <td>2014-15</td><td>12071.12</td><td>253.56</td></tr> <tr> <td>2015-16</td><td>12198.20</td><td>352.11</td></tr> </table> However, the profit has been inadequate to comply with Sec. 197, and Schedule V of the Company's Act, 2013 since the volume of business has been low. The Company has plans to improve the volume to a much higher level.		Total Income	PBT	2013-14	11407.02	105.56	2014-15	12071.12	253.56	2015-16	12198.20	352.11
	Total Income	PBT												
2013-14	11407.02	105.56												
2014-15	12071.12	253.56												
2015-16	12198.20	352.11												
2.	Steps taken or proposed to be taken improvement	The Board is confident that shortly after the gestation period 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. With the proposed organic and inorganic growth, the revenue is expected to grow to a much higher level in the coming years.												

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

Item # 6:

The members of the Company at the 31st th Annual General Meeting of the Company held on 28 September, 2015, 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 01st October, 2015 to 30th September, 2018.

The members had inter alia approved, salary in the scale of Rs. 1,75,000 per month, The monthly basic salary of Mr. B Kishore Babu with effect from 01st October, 2015 is Rs. 1,75,000

Taking into consideration his present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on 12th August 2016 approves remuneration from Rs. 1,75,000 to Rs. 3,25,000 per month.

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

Details of remuneration paid to Mr. B Kishore Babu during the Financial Year 2015-16 have been disclosed in the annexure to the Directors' Report and in the Corporate Governance Report.

I	General Information	
1.	Nature of industry	
2.	Date or expected date of commercial production	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	
4.	Financial performance based on given indicators.	
5.	Export performance and net foreign exchange collaborations.	
6.	Foreign investments or collaborations, if any.	
II	Information about the appointee	
1.	Back ground details	

Machine Tools Industry	
Company started the commercial operations immediately after obtaining the Certificate of Commencement of Business on December 17, 1983.	
N. A.	
Particulars	Amount (Rs. in lakhs)
Total Revenue from operations	12198.20
Operating Profit (PBITD)	2628.81
Finance cost	1535.87
Depreciation and amortization expense	740.83
Exceptional items	-
Profit after Tax (PAT)	213.81
Rs. 390.04 lakhs	
N.A	

Mr. B. Kishore Babu, Engineering Graduate, He has 36 years vast experience in the machine tool industry.	
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2.	Past remuneration	Rs. 21 lakhs Per Annum												
3.	Recognition or awards	NIL												
4.	Job profile and his suitability	He has been taking care of production, administration and other operational affairs of the Company. Since his tenure as Wholetime Director, he has steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations.												
5.	Remuneration proposed	Rs. 39 lakhs Per Annum												
6.	Comparative 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)	Around Rs 5,00,000/- Per Month												
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Promoter Director												
III	Other information													
1.	Reasons of loss or inadequate profits	The Company's total Income during the year ended 31st March, 2016, the Turnover increased by 2.48 % and the PBT has increased by 37% over that of the previous year, as can be seen from the Table given below; (Rs. in lakhs) <table> <tr> <th></th><th>Total Income</th><th>PBT</th></tr> <tr> <td>2013-14</td><td>11407.02</td><td>105.56</td></tr> <tr> <td>2014-15</td><td>12071.12</td><td>253.56</td></tr> <tr> <td>2015-16</td><td>12198.20</td><td>352.11</td></tr> </table> However, the profit has been inadequate to comply with Sec. 197, and Schedule V of the Company's Act, 2013 since the volume of business has been low. The Company has plans to improve the volume to a much higher level.		Total Income	PBT	2013-14	11407.02	105.56	2014-15	12071.12	253.56	2015-16	12198.20	352.11
	Total Income	PBT												
2013-14	11407.02	105.56												
2014-15	12071.12	253.56												
2015-16	12198.20	352.11												
2.	Steps taken or proposed to be taken improvement	The Board is confident that shortly after the gestation period 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. With the proposed organic and inorganic growth, the revenue is expected to grow to a much higher level in the coming years.												

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

Item # 7:

The members of the Company at the 31st th Annual General Meeting of the Company held on 28 September, 2015, 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 01st October, 2015 to 30th September, 2018.

The members had inter alia approved, salary in the scale of Rs. 1,75,000 per month, The monthly basic salary of Mr. M.Srinivas with effect from 01st October, 2015 is Rs. 1,75,000

Taking into consideration his present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on 12th August 2016 approves remuneration from Rs. 1,75,000 to Rs. 3.25,000 per month

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

Details of remuneration paid to Mr. M.Srinivas during the Financial Year 2015-16 have been disclosed in the annexure to the Directors' Report and in the Corporate Governance Report.

I	General Information	
1.	Nature of industry	
2.	Date or expected date of commercial production	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	
4.	Financial performance based on given indicators.	
5.	Export performance and net foreign exchange collaborations.	
6.	Foreign investments or collaborations, if any.	
II	Information about the appointee	
1.	Back ground details vast experience in the machine tool industry.	
2.	Past remuneration	
3.	Recognition or awards	
4.	Job profile and his suitability	
5.	Remuneration proposed	
6.	Comparative 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)	
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	
III	Other information	
1.	Reasons of loss or inadequate profits	
2.	Steps taken or proposed to be taken improvement	
3.	Expected increase in productivity and profits in measurable terms.	

Machine Tools Industry	
Company started the commercial operations immediately after obtaining the Certificate of Commencement of Business on December 17, 1983.	
N. A.	
Particulars	Amount (Rs. in lakhs)
Total Revenue from operations	12198.20
Operating Profit (PBIDT)	2628.81
Finance cost	1535.87
Depreciation and amortization expense	740.83
Exceptional items	-
Profit after Tax (PAT)	213.81

Rs. 398.04 lakhs	
N.A	
Mr. M. Srinivas, MS. He has 20 year vast experience in the machine tool Industry.	
Rs. 21 lakhs Per Annum	
NIL	
He has been taking care of production, administration and other operational affairs of the Company. Since his tenure as Wholetime Director, he has steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations.	
Rs. 39 lakhs Per Annum	
Around Rs 5,00,000/- Per Month	
Promoter Director	

The Company's total Income during the year ended 31st March, 2016, the Turnover increased by 2.48 % and the PBIT has increased by 37% over that of the previous year, as can be seen from the Table given below; (Rs. in lakhs)		
	Total Income	PBT
2013-14	11407.02	105.56
2014-15	12071.12	253.56
2015-16	12198.20	352.11
However, the profit has been inadequate to comply with Sec. 197, and Schedule V of the Company's Act, 2013 since the volume of business has been low. The Company has plans to improve the volume to a much higher level.		
The Board is confident that shortly after the gestation period the overall business of the company will further grow.		
The revenue is expected to grow at a modest level of 10% during the year. With the proposed organic and inorganic growth, the revenue is expected to grow to a much higher level in the coming years.		

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

Item # 8:

The members of the Company at the 31st th Annual General Meeting of the Company held on 28 September, 2015, 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 01st October,2015 to 30th September, 2018.

The members had inter alia approved, salary in the scale of Rs. 1,75,000 per month ,The monthly basic salary of Mr. M.Srikrishna with effect from 01st October, 2015 is Rs. 1,75,000

Taking into consideration his present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on 12th August 2016 approves remuneration from Rs. 1,75,000 to Rs. 3,25,000 per month

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

Details of remuneration paid to Mr. M.Srikrishna during the Financial Year 2015-16 have been disclosed in the annexure to the Directors' Report and in the Corporate Governance Report.

Details as per Part II, Section II of Schedule V of the Companies Act, 2013:

A statement along with the notice calling the general meeting referred to in clause (iii) is given to the shareholders containing the following information namely: -

I	General Information		
1.	Nature of industry	Machine Tools Industry	
2.	Date or expected date of commercial production	Company started the commercial operations immediately after obtaining the Certificate of Commencement of Business on December 17, 1983.	
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 Total Revenue from operations Operating Profit (PBIDT) Finance cost Depreciation and amortization expense Exceptional items Profit after Tax (PAT)	Amount (Rs. in lakhs) 12198.20 2628.81 1535.87 740.83 - 213.81
5.	Foreign investments or collaborations, if any.	N.A	
II	Information about the appointee		
1.	Back ground details	Mr. M. Srikrishna. Bachelor of Engineering, has undergone training intially in the designs and manufacture of General Purpose Machines. He has 19 years vast experience in machine tool industry.	
2.	Past remuneration	Rs. 21 lakhs Per Annum	
3.	Recognition or awards	NIL	
4.	Job profile and his suitability	He has been taking care of production, administration and other operational affairs of the Company. Since his tenure as Wholetime Director, he has steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations.	
5.	Remuneration proposed	Rs. 39 lakhs Per Annum	
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Around Rs 5,00,000/- Per Month	

	(in case of expatriates the relevant details would be with respect to the country of his origin)													
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Promoter Director												
III	Other information													
1.	Reasons of loss or inadequate profits	The Company's total Income during the year ended 31st March, 2016, the Turnover increased by 2.48 % and the PBIT has increased by 37% over that of the previous year, as can be seen from the Table given below; (Rs. in lakhs) <table> <tr> <th></th><th>Total Income</th><th>PBT</th></tr> <tr> <td>2013-14</td><td>11407.02</td><td>105.56</td></tr> <tr> <td>2014-15</td><td>12071.12</td><td>253.56</td></tr> <tr> <td>2015-16</td><td>12198.20</td><td>352.11</td></tr> </table> However, the profit has been inadequate to comply with Sec. 197, and Schedule V of the Company's Act, 2013 since the volume of business has been low. The Company has plans to improve the volume to a much higher level.		Total Income	PBT	2013-14	11407.02	105.56	2014-15	12071.12	253.56	2015-16	12198.20	352.11
	Total Income	PBT												
2013-14	11407.02	105.56												
2014-15	12071.12	253.56												
2015-16	12198.20	352.11												
2.	Steps taken or proposed to be taken improvement	The Board is confident that shortly after the gestation period 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. With the proposed organic and inorganic growth, the revenue is expected to grow to a much higher level in the coming years.												

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

Item # 9

Mr. Atluri Vijay Kumar was accepted the request and the Board, at its meeting held on 28th June, 2016, appointed Mr. Atluri Vijay Kumar as an Additional Director of the Company as also an Independent Director, not liable to retire by rotation, with effect from 01st October, 2016 to 01th October, 2017, subject to the approval of the Members. Pursuant to the provisions of Section 161 of the Act, being an Additional Director, Mr. Atluri Vijay Kumar will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed a Director of the Company. The Company has received notice in writing under Section 160 of the Act from a member along with the requisite deposit of ₹ 1,00,000/- proposing the candidature of Mr. Atluri Vijay Kumar for the office of Director.

The Company has received from Mr. Atluri Vijay Kumar (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of Act (iii) A declaration to the effect that he meets the criteria of independence as provided in Section 149 (6) of Act.

The resolution seeks the approval of the members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Mr. Atluri Vijay Kumar as an Independent Director of the Company for a period of 5 years from 01 October, 2016.

A copy of the letter of appointment of Mr. Atluri Vijay Kumar as an independent director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Mr. Atluri Vijay Kumar is provided in annexure to this notice. The Board considers that Mr. Atluri Vijay Kumar continued association would be of immense benefit to the Company

and it is desirable to continue to avail the services of Mr. Atluri Vijay Kumar as an Independent Director.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Atluri Vijay Kumar, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 9 of the Notice.

The Board recommends the resolution set forth in Item No. 9 for the approval of the Members.

Item # 10**Approval for Payment of Remuneration to the Cost Auditor to the Financial Year Ending 31st March, 2016.**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s. DZR& Co., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 at a remuneration of Rs 50000/- as audit fee, and Service tax and out of pocket expenses shall be paid on actuals.

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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

The Board recommends the resolution for your approval. None of the Directors, key managerial personnel or their relatives Directors of the Company is, in any way, concerned or interested in the said resolution.

Item # 11

The shareholders at the Extra-ordinary General Meeting (EGM) held on 10th June, 2016 have approved the preferential allotment of shares and convertible warrants to promoters and non-promoters. In the notice calling the said EGM some typo-graphical errors have cropped as specified in the resolution.

With a view to bring to notice of the shareholders about the typo graphical errors the Board of Directors recommends the ratification of corrections to the notice calling the said EGM.

The Board recommends the resolution for your approval. None of the Directors, key managerial personnel or their relatives Directors of the Company is, in any way, concerned or interested in the said resolution.

**Additional information on Directors seeking appointment /
re-appointment at the forthcoming Annual General Meeting**

Name	Mr M Lokeswararao	Mr. B Kishore Babu	Mr.M.Srinivas	Mr. M Srikrishna Vijay Kumar	Mr. Atluri Swamy	Mr. K.Krishna
Date of birth	11-02-1945	08-06-1956	21-06-1968	31-07-1971	08-04-1968	25-12-1940
Designation	Managing Director	Whole time Director	Whole time Director	Whole time Director	Independent Director	Non-Executive Director
Date of appointment	17/12/1983	10/05/2002	01/10/2005	01/10/2005	28/06/2016	28/07/1995
Educational Qualifications	Diploma in Mechanical Engineering	Engineering Graduate	M.S. in Industrial Engineering from New Jersey Institute of Technology, USA	B Tech From Osmania University	Masters of Science (Mechanical Engineering) University of Texas, Austin, USA.	Bachelor of Technology (Mechanical)
Areas of Experience	47 years of experience in the machine tool industry	36 years of experience in the field of Machine Tool	20 years of experience in the field of Engineering	19 years of experience in the field of Engineering	20 years of experience in overall execution of projects within cost, time quality and safety parameters along with handling diverse range of techno commercial operations such as tendering, planning, monitoring, operations, finance, etc. Has got experience in various construction sectors like Roads, Railways, Irrigation, Power etc, both as EPC or PPP agency.	Nearly 50 years experience in the field of Mechanical Division
Membership/ Chairmanship of the Committees held in the company	Nil	1.Member of Stakeholders relationship Committee	Member of Audit Committee	1.Member of Stakeholders relationship Committee	Nil	Nil
Companies in which he / she holds Directorship	M.L.R. Motors Ltd and MLR Auto Ltd Lokesh Engineering Aerospace and Defence Systems Ltd.	M.L.R. Motors Ltd and MLR Auto Ltd And Lokesh Engineering	M.L.R. Motors Ltd and MLR Auto Ltd And Lokesh Engineering	Velzone (India) Private Limited	1. Greenko Hydro Projects Privated Limited. 2. Greenko Solar Projects Private	Nil