PROCEEDINGS OF THE EXTRA-ORDINARY GENERAL MEETING OF LOKESH MACHINES LIMITED HELD ON FRIDAY, APRIL 15, 2011 AT 11.00 A.M. AT THE REGISTERED OFFICE SITUATED AT B29, EEIE STAGE 2, BALANAGAR, HYDERABAD - 500037.

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The Extra-ordinary General Meeting of the company commenced at 11.00 A.M.

Ms. Laksmi Jyothsna, Company Secretary in Practise, extended welcome to the shareholders and invited the Directors of the company on to the Dais.

She then requested the Mr. B.R. Mahesh, Chairman to take charge and conduct the meeting.

After ascertaining that the requisite quorum for the meeting being present, the Chairman called the meeting to be in order.

He then welcomed the members to the meeting.

With the permission of the members, the Notice convening the Extra-ordinary General Meeting along with the Explanatory Statement to the said Notice was taken as read. Queries, questions and suggestions were decided to be taken up on completion of business items set out in the Notice.

APPROVAL FOR ALLOTMENT OF SECURED OPTIONALLY CONVERTIBLE DEBENTURES:

Chairman then took up the agenda item and requested Ms. Lakshmi Jyothsna, Company Secretary in Practice to propose the resolution and she read out the following resolution to the shareholders.

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the Memorandum and Articles of Association of the Company and the subsisting guidelines / regulations prescribed by the Government of India / Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI) or any other relevant authority, to the extent applicable and subject to such approvals, consents, permissions, and sanctions, as may be stipulated by any of them while granting such approvals, consents, permissions and sanctions, consent of the members, be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee (s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) to issue, offer and allot not exceeding 20,70,000 (Twenty Lakhs Seventy Thousand Only) Secured Optionally Convertible Debentures (OCDs) of Rs. 45/- each convertible into 20,70,000 (Twenty Lakhs Seventy Thousand Only) equity shares of the company of the face value of Rs.10/- each, for cash which shall upon conversion rank pari passu with the existing equity shares of the Company, to IFCI Venture Capital Funds Limited, in one or more tranches, in



such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem fit, at a price not exceeding Rs.45/- (Rupees Forty Five only) subject to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 in this behalf and the relevant date for calculating the SEBI price being March 16, 2011."

FURTHER RESOLVED THAT each Debenture may be convertible into one equity share at the option of the Secured Optionally Convertible Debenture holder within a period of 18 months from date of its allotment and on such other terms and conditions, subject to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as may be applicable from time to time.

FURTHER RESOLVED THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desired and to accept any modifications in the above proposal as may be required by the authorities involved and also settle any questions or difficulties that may arise in respect of offer, issue and allotment of Secured Optionally Convertible Debentures /equity shares and further to do all such acts and execute such deeds and documents and writing in connection with the issue of Secured Optionally Convertible Debentures / equity shares, as may be necessary".

The Resolution was duly proposed and seconded.

Then the resolution was put to vote by rising of the hands.

On a show of hands the Chairman declared aforesaid resolution was passed as Special Resolution.

The Company Secretary in Practice thanked the members for their support in passing the resolutions

After the discussion, Chairman announced the conclusion of the meeting and proposed Vote of thanks and the meeting thereafter concluded.



Chairman
(B. R. MAHESH)

Place: Hyderabad
April 15, 2011