



**Lokesh
Machines Limited**



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URL : www.lokeshmachines.com

CIN : L29219TG1983PLC004319

Date: 13th February, 2018

TO

Divya Poojari

Manager

National Stock Exchange of India Ltd.

Sub: Clarification in reference to query dated 12-Feb-2018

Dear Madam,

In reference to your query dated 12th February, 2018 kindly take the following points for your consideration.

- i) The Company has adopted Ind-AS from 1st April, 2017 and prepared its financial statements as per Ind-AS format from June quarter itself. However this time inadvertently the company submitted the result as per the old format.
Even if in the Limited Review report the Statutory Auditor specified that the Company prepared the financial statements as per IND-AS and as per Regulation 33 of SEBI (LODR), 2015

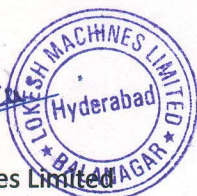
So, it was done inadvertently and so hereby We once again submit the financial results as per Ind-as format along with the Reconciliation of profit and loss.

Hope the above clarification solve the issue.

Thanking you,

[Handwritten Signature]

For Lokesh Machines Limited
Company Secretary



STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2017

Rs. in Lakhs

Sl. No	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		Year ended
		31.12.17 (Un Audited)	30.09.17 (Un Audited)	31.12.16 (Un Audited)	31.12.17 (Un Audited)	31.12.16 (Un Audited)	31.03.17 (Audited)
1	Revenue From operations						
	a) Revenue from Operations (Net of excise duty)	4,625.01	3,934.57	2,829.51	12,408.16	9,008.88	13,177.82
	Add : Excise duty	-	-	659.41	782.00	2,105.31	2,957.71
	Revenue from Operations (Gross of excise duty)	4,625.01	3,934.57	3,488.92	13,190.16	11,114.19	16,135.53
	(b) Other Income	22.76	20.61	3.36	48.06	13.63	35.18
	Total Revenue (net) (a+b)	4,647.77	3,955.18	3,492.28	13,238.22	11,127.82	16,170.71
2	Expenses						
	a. Cost of materials consumed	2,637.83	2,040.91	1,666.42	6,556.40	4,581.23	6,818.60
	b. Purchase of stock-in-trade	-	-	-	-	-	-
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2.15)	0.15	(1.38)	0.97	0.27	(402.70)
	d. Excise duty	-	-	659.41	782.00	2,105.31	2,957.71
	e. Employee benefits expense	740.73	719.99	645.48	2,182.26	1,906.14	2,775.74
	f. Finance Costs	341.12	341.43	414.49	1,065.19	1,258.93	1,664.06
	g. Depreciation and amortisation expense	193.67	195.57	201.75	587.34	603.93	818.49
	h. Other Manufacturing Expenses	680.08	512.69	397.02	1,821.12	1,365.38	2,302.29
	i. Less : Capapative consumption	(128.00)	-	(494.75)	(128.00)	(785.00)	(1,107.25)
	Total expenses	4,463.28	3,810.74	3,488.44	12,867.28	11,026.19	15,826.94
3	Profit before Tax (1-2)	184.49	144.44	3.84	370.94	101.63	343.77
4	Tax Expense						
	Current Tax	57.91	49.37	1.71	120.26	34.91	124.29
	Deferred Tax	-	-	-	-	-	-
5	Profit for the Period (3-4)	126.58	95.07	2.13	250.68	66.72	225.65
6	Other Comprehensive Income						
	A-(i) Items that will be reclassified to the profit or loss	-	-	-	-	-	-
	ii) Income tax on items that will be reclassified to the profit or loss	-	-	-	-	-	-
	B-(i) Items that will not be reclassified to the profit or loss	-	-	-	-	-	-
	a) Remeasurement of Defined employee benefit plans	-	-	-	-	-	-
	ii) Income tax on items that will not be reclassified to the profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income (net of taxes)	-	-	-	-	-	-
	Total Comprehensive Income for the Period	126.58	95.07	2.13	250.68	66.72	225.65
	Paid-up Equity Shares in No's	17,896,770.00	17,032,800.00	17,032,800.00	17,896,770.00	17,032,800.00	17,032,800.00
	Earnings Per Share (EPS) (Not Annualised)						
	(a) Basic	0.71	0.56	0.01	1.40	0.39	1.32
	(b) Diluted	0.71	0.16	0.01	1.40	0.39	1.26



Notes :

1. The company has presented for the first time, its financial results under Indian accounting standards ("Ind AS") from April 1, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS-34-Interim financial reporting prescribed under section 133 of the companies act 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Financial results for the comparative period have also been presented in accordance with the recognition and measurement principles of Ind AS-34

2. Reconciliation of Net profit between the financial results as previously reported (referred to as "Previous GAAP") and Ind AS for the period ended 31st December, 2016 are as under:

(Amount In Lakhs.)

3. Nature of Adjustments	Note no	For the Quarter ended 31.12.2016	For the nine months ended 31.12.2016
<u>AS per the Previous GAAP</u>		3.48	70.88
Adjustment for upfront fees paid on term loans	a	(0.50)	(1.60)
Depreciation	a	0.09	0.29
Amortisation of lease rental on land	b	(0.95)	(2.85)
<u>AS per Ind AS</u>		2.12	66.72

a. Upfront fee paid on loan

Under previous GAAP, some of the upfront fees paid for availing long term loans were charged as expense and some were capitalised.

Under Ind AS, upfront fees paid on long term loans are adjusted with the loan amount and measured at amortised cost using effective interest rate. Some of the upfront fees which were capitalised were reversed from Property, Plant and Equipment and thereby the depreciation charged on upfront fees is also reversed back during the quarter ending December 31, 2016.

b. Amortisation of lease rental on land

Under Previous GAAP leasehold lands were recognised as assets under PPE.

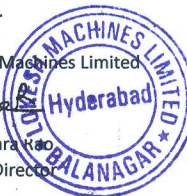
As per Ind AS 17, the company has treated leasehold lands as operating leases and premium paid is considered as pre-paid lease rentals.

4. The above unaudited financial results have been reviewed by the audit committee and approved by the board at their meeting held on 9th February 2018. The statutory auditors of the company have carried out limited review of the results for the quarter ended December 31, 2017.

Place: Hyderabad
Date: 09/02/2018

For Lokesh Machines Limited

M. Lokeswara Rao
Managing Director



Lokesh Machines Ltd

Segment-wise Revenue, Results and Capital employed under Regulation 33 of the SEBI (LODR) 2015

Rs. In Lakhs

Particulars	QUARTER ENDED			NINE MONTHS ENDED		Last year 31.03.2017 Audited
	31.12.17	30.09.17	31.12.16	31.12.17	31.12.16	
	(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	
1 Segment Revenue						
a) Machinery Division	3,214.78	2,621.37	1,738.61	8,205.73	5,576.18	8690.96
b) Components Division	1,410.22	1,313.20	1,090.90	4,202.43	3,432.70	4486.86
c) Unallocated	-	-	-	-	-	-
TOTAL	4,625.00	3,934.57	2,829.51	12,408.16	9,008.88	13177.82
Less : Inter Segment Revenue	-	-	-	-	-	-
Net Revenue from Operations	4,625.00	3,934.57	2,829.51	12,408.16	9,008.88	13,177.82
2 Segment Results:						
Profit before Interest & Tax						
a) Machinery Division	578.01	537.60	435.48	1,475.51	1,386.36	2344.13
b) Components Division	141.28	139.67	65.28	486.21	299.55	372.03
c) Unallocated	-	-	-	-	-	-
TOTAL	719.29	677.27	500.76	1,961.72	1,685.91	2,716.16
Less: Interest	341.12	341.43	414.49	1,065.19	1,258.93	1,666.12
Other unallocable Expenses net of Income	193.68	191.40	82.43	525.59	325.35	702.47
TOTAL PROFIT BEFORE TAX	184.49	144.44	3.84	370.94	101.63	347.57
3 Segment Assets						
a) Machinery Division	20,170.18	19,970.47	19,971.87	20,170.18	19,926.87	20,317.08
b) Components Division	8,983.49	9,169.53	9,807.73	8,983.49	9,781.73	9,612.22
c) Unallocated	-	-	-	-	-	-
TOTAL	29,153.67	29,140.00	29,779.60	29,153.67	29,708.60	29,929.30
4 Segment Liabilities						
a) Machinery Division	10,578.37	10,742.03	10,849.93	10,578.37	10,847.93	11,230.59
b) Components Division	4,627.37	4,891.97	5,752.34	4,627.37	5,751.34	5,419.55
c) Unallocated	-	-	-	-	-	-
TOTAL	15,205.74	15,634.00	16,602.27	15,205.74	16,599.27	16,650.14
3 Capital Employed						
a) Machinery Division	9591.81	9228.44	9121.94	9591.81	9078.94	9086.49
b) Components Division	4356.12	4277.56	4055.39	4356.12	4030.39	4192.67
c) Unallocated	-	-	-	-	-	-
TOTAL	13,947.93	13,506.00	13,177.33	13,947.93	13,109.33	13,279.16

For **LOKESH MACHINES LTD.**

M. del
Managing Director

Lokesh Machines Limited

Regd. Office: B-29, EEIE, Stage-II, Balanagar, Hyderabad, TS-500 037

CIN No.:- L29219TG1983PLC004319

Statement of Assets and Liabilities

Rs in Lakhs	
Particulars	As at 31.12.17
ASSETS	
Non-current assets	
(a) Property, Plant and Equipment	8,051.26
(b) Capital work-in-progress	4,230.52
(c) Intangible Assets	16.66
(d) Financial Assets	
(i) Investments	567.50
(ii) Trade receivables	714.04
(ii) Other financial assets	201.37
(e) Other Non-Current Assets	1,020.68
	14,802.03
Current assets	
(a) Inventories	9,514.87
(b) Financial Assets	
(i) Trade receivables	2,845.49
(ii) Cash and cash equivalents	282.57
(iii) Bank balances other than (ii) above	0.00
(iv) Others financial assets	31.57
(c) Current tax assets (net)	0.00
(d) Other current assets	1,682.22
	14,356.72
Total Assets	29,158.75
EQUITY AND LIABILITIES	
Equity	
(a) Equity Share capital	1,789.68
(b) Other Equity	12,162.12
	13,951.80
Liabilities	
Non - current liabilities	
(a) Financial liabilities	
(i) Borrowings	1,456.19
(b) Deferred tax liabilities	863.31
(c) Other Non-current liabilities	252.96
(d) Provisions	266.73
	2,839.19
Current liabilities	
(a) Financial Liabilities	
(i) Borrowings	6,609.37
(ii) Trade payables	2,976.59
(iii) Other financial liabilities	887.80
(b) Other current liabilities	1,894.00
(c) Provisions	0.00
	12,367.76
Contingent Liabilities and Commitments	
Total Equity and Liabilities	29,158.75
NOTES TO THE FINANCIAL STATEMENTS	

For **LOKESH MACHINES LTD.**


Managing Director



K.S. Rao & Co.

CHARTERED ACCOUNTANTS

Limited Review Report

Review Report

To the Board of Directors of Lokesh Machines Limited,

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **LOKESH MACHINES LIMITED** ("the Company") for the quarter and nine months ended December 31, 2017 (the "statement") being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial information performed by the Independent Auditor of the Entity, issued by Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The figures for quarter and nine months ended December 2016 included in this statement under report were reviewed/audited by another firm of Chartered Accountants, who were the immediate preceding statutory auditors, who expressed an unmodified conclusion/opinion thereon.





K.S. Rao & Co.

CHARTERED ACCOUNTANTS

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian Accounting Standards (Ind AS) and other recognized accounting principles and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : Hyderabad
Date : 09.02.2018

for K.S. Rao & CO.
Chartered Accountants
Firm's Regn No. 0031095

M. N. Prasad
(Naga Prasad Muvva)
Partner
Membership No. 231388