

M. LOKESWARA RAO

B-5, Madhuranagar,
S.R. Nagar, Hyderabad- 500 038
Tel NO. - 9848436999

Dated: 05th November, 2019

TO

The Bombay Stock Exchange Limited
Department of Corporate Services
Floor 25, PJ Towers,
Dalal Street
Mumbai-400001
Scrip Code: 532740

National Stock Exchange of India Limited
Listing Department
Plot No. C/1, G Block, Exchange Plaza,
Bandra Kurla Complex,
Bandra(E), Mumbai- 400051
Company Code: LOKESHMACH

Dear Sir,

Sub: Disclosure of reasons for encumbrance of shares by Promoters of Lokesh Machines Limited as on 30th September, 2019 pursuant to SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011

Kindly find the enclosed herewith additional disclosure in Annexure II under Regulation 31(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 as per SEBI circular No. SEBI/HO/CFD/DCRI/CIR/P/2019/90 on behalf of all promoters of the Company.

This is for your information and record.

Yours Faithfully,

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M. LOKESWARA RAO
For and on behalf of all
Promoter/Promoters group
DIN: 00989447

CIC
Company Secretary & Compliance Officer
Lokesh Machines Limited
B-29, EEIE, Stage-II
Balanagar, Hyderabad- 500 037

Annexure - II

Format for disclosure of reasons for encumbrance

(In addition to Annexure - I prescribed by circular dated August 05, 2015)

Name of listed company	LOKESH MACHINES LIMITED
Name of the recognised stock exchanges where the shares of the company are listed	Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE)
Name of the promoter(s) / PACs whose shares have been encumbered	Bollineni Kishore Babu Mullapudi Srikrishna Mullapudi Srinivas Mullapudi Kanakadurga Mullapudi Lokeswara Rao Mullapudi Vijayalakshmi
Total promoter shareholding in the listed company	No. of shares - 8932505 % of total share capital - 49.91 %
Encumbered shares as a % of promoter shareholding	66.43%
Whether encumbered share is 50% or more of promoter shareholding	YES/NG
Whether encumbered share is 20% or more of total share capital	YES/NG

Details of all the existing events/arrangements pertaining to encumbrance

	Encumbrance I (Date of creation of encumbrance: 12.10.2009 18.11.2009 22.07.2011 26.12.2011 06.06.2013 23.12.2013 24.08.2016)	Encumbrance 2 (Date of creation of encumbrance: 26/04/2011)
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)	Pledge of Shares	Pledge of Shares
No. and % of shares encumbered	No. of Shares: 8,43,735 % of total share capital: 4.71 %	No. of shares: 95,000 % of total share capital: 0.53%

		Encumbrance 1 (Date of creation of encumbrance: 12.10.2009 18.11.2009 22.07.2011 26.12.2011 06.06.2013 23.12.2013 24.08.2016)	Encumbrance 2 (Date of creation of encumbrance: 26/04/2011)
Name of the Pledgor:		Mullapudi Lokeswara Rao Mullapudi Srinivas Mullapudi Vijayalaksluni	Mullapudi Srinivas
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Tanvi Financials Services Pvt. Limited	IFCI Venture Capital Funds Ltd
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	YES-NG	YES/NG
	Names of all other entities in the agreement	Listed company and its group companies (if any) - NIL Other entities (if any) -NIL	Listed company and its group companies (if any) -NIL Other entities (if any)-NIL

	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	Encumbrance 1 (Date of creation of encumbrance: 12.10.2009 18.11.2009 22.07.2011 26.12.2011 06.06.2013 23.12.2013 24.08.2016) YES/NO If yes, 1. Name of the issuer 2. Details of the debt instrument. 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument	Encumbrance 2 (Date of creation of encumbrance: 26/04/2011) YES/NG If yes, 1. Name of the issuer Lokesh Machines Limited 2. Details of the debt instrument 20,70,000 Optionally Convertible Debentures(OCDs) 3. Whether the debt instrument is listed on stock exchanges? NO 4. Credit Rating of the debt instrument 5. ISIN of the instrument
Security Cover/ Asset Cover	Value of shares on the date of event / agreement (A)	Rs. 2.88 Cr	Rs.0.41 Cr
	Amount involved (against which shares have been encumbered) (B)	Rs. 3.62 Cr	Rs.9.32 Cr Outstanding Bal. As on 30 th Sept, 2019 is NIL
	Ratio of A/B	0.80	0.04

Annexure - II**Format for disclosure of reasons for encumbrance**

(In addition to Annexure - I prescribed by circular dated August 05, 2015)

Name of listed company	LOKESH MACHINES LIMITED
Name of the recognised stock exchanges where the shares of the company are listed	Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE)
Name of the promoter(s) / PACs whose shares have been encumbered	Bollineni Kishore Babu Mullapudi Srikrishna Mullapudi Srinivas Mullapudi Kanakadurga Mullapudi Lokeswara Rao Mullapudi Vijiavalakshmi
Total promoter shareholding in the listed company	No. of shares - 8932505 % of total share capital - 49.91%
Encumbered shares as a % of promoter shareholding	66.43%
Whether encumbered share is 50% or more of promoter shareholding	YES/NO
Whether encumbered share is 20% or more of total share capital	YES/NO

Details of all the existing events/arrangements pertaining to encumbrance

	Encumbrance 3 (Date of creation of encumbrance: 27.08.2012 20.09.2012 24.10.2014 02.11.2017 26.12.2017)	Encumbrance 4 (Date of creation of encumbrance: 27.03.2015 06.04.2015)
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)	Pledge of Shares	Pledge of Shares
No. and % of shares encumbered	No. of shares: 6,20,000 % of total share capital: 3.46%	No. of Shares: 11,00,000 % of total share capital: 6.15%

		Encumbrance 3 (Date of creation of encumbrance: 27.08.2012 20.09.2012 24.10.2014 02.11.2017 26.12.2017)	Encumbrance 4 (Date of creation of encumbrance: 27.03.2015 06.04.2015)
Name of the Pledgor:		Mullapudi Lokeswara Rao Mullapudi Srinivas Mullapudi Vijayalakshmi Mullapudi Srikrishna Mullapudi Kanakadurga	Mullapudi Lokeswara Rao Mullapudi Srikrishna B. Kishore Babu Mullapudi Kanakadurga
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	MapakshiMurali Reddy	Emkay Fincap Limited
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	YBS/} 10 Individual	YES/NG
	Names of all other entities in the agreement	Listed company and its group companies (if any) - NIL Other entities (if any) -NIL	Listed company and its group companies (if any) -NIL Other entities (if any)-NIL

	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	Encumbrance 3 (Date of creation of encumbrance: 27.08.2012 20.09.2012 24.10.2014 02.11.2017 26.12.2017) YES/NO If yes, 1. Name of the issuer 2. Details of the debt instrument. 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument	Encumbrance 4 (Date of creation of encumbrance: 27.03.2015 06.04.2015) YES/NO If yes, 1. Name of the issuer 2. Details of the debt instrument. 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument
Security Covert Asset Cover	Value of shares on the date of event / agreement (A)	Rs. 3.24 Cr	Rs.7.83 Cr
	Amount involved (against which shares have been encumbered) (B)	Rs. 2.1 Cr	Rs. 2.25 Cr Outstanding Bal. As on 30 th Sept, 2019 is 0.75 Cr
	Ratio of A/ B	1.54	3.48

Annexure - II**Format for disclosure of reasons for encumbrance**

(In addition to Annexure - I prescribed by circular dated August 05, 2015)

Name of listed company	LOKESH MACHINES LIMITED
Name of the recognised stock exchanges where the shares of the company are listed	Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE)
Name of the promoter(s) / PACs whose shares have been encumbered	Bollineni Kishore Babu Mullapudi Srikrishna Mullapudi Srinivas Mullapudi Kanakadurga Mullapudi Lokeswara Rao Mullapudi Vijayalakshmi
Total promoter shareholding in the listed company	No. of shares - 8932505 % of total share capital - 49.91 %
Encumbered shares as a % of promoter shareholding	66.43%
Whether encumbered share is 50% or more of promoter shareholding	YES/NG
Whether encumbered share is 20% or more of total share capital	YES/NG

Details of all the existing events/arrangements pertaining to encumbrance

	Encumbrance 5 (Date of creation of encumbrance: 20.08.2015 04.09.2015)	Encumbrance 6 (Date of creation of encumbrance: 11.02.2016 12.02.2016 13.02.2016 15.02.2016 and 19.02.2016)
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)	Pledge of Shares	Pledge of Shares
No. and % of shares encumbered	No. of shares: 4,50,000 % of total share capital: 2.51%	No. of Shares: 5,00,000 % of total share capital: 2.79%
Name of the Pledgor:	Mullapudi Vijayalakshmi	Mullapudi Srikrishna Mullapudi Lokeswara Rao Mullapudi Kanakadurga

		Encumbrance S (Date of creation of encumbrance: 20.08.2015 04.09.2015)	Encumbrance 6 (Date of creation of encumbrance: 11.02.2016 12.02.2016 13.02.2016 15.02.2016 and 19.02.2016)
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Bengal Finance & Investment Pvt Ltd.	Jajodia Finance Limited
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	YES/NG	YES/NG
	Names of all other entities in the agreement	Listed company and its group companies (if any)-NIL Other entities (if any)-NIL	Listed company and its group companies (if any) -NIL Other entities (if any)-NIL
	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	YES/NO If yes, 1. Name of the issuer 2. Details of the debt instrument 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument	YES/NO If yes, 1. Name of the issuer 2. Details of the debt instrument 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument
Security Cover/ Asset Cover	Value of shares on the date of event / agreement (A)	Rs.3.92 Cr	Rs. 3.19 Cr
	Amount involved (against which shares have been encumbered) (B)	Rs.1.15 Cr	Rs. 1.75 Cr
	Ratio of A / B	3.41	1.82

Annexure - II**Format for disclosure of reasons for encumbrance**

(In addition to Annexure - I prescribed by circular dated August 05, 2015)

Name of listed company	LOKESH MACHINES LIMITED
Name of the recognised stock exchanges where the shares of the company are listed	Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE)
Name of the promoter(s) / PACs whose shares have been encumbered	Bollineni Kishore Babu Mullapudi Srikrishna Mullapudi Srinivas Mullapudi Kanakadurga Mullapudi Lokeswara Rao Mullapudi Vijayalakshmi
Total promoter shareholding in the listed company	No. of shares - 8932505 % of total share capital-49.91 %
Encumbered shares as a % of promoter shareholding	66.43%
Whether encumbered share is 50% or more of promoter shareholding	YES/NG
Whether encumbered share is 20% or more of total share capital	YES/NG

Details of all the existing events/arrangements pertaining to encumbrance

	Encumbrance 7 (Date of creation of encumbrance: 29.03.2017 01.04.2017 13.12.2017 15.12.2017	Encumbrance 8 (Date of creation of encumbrance: 23.10.2018
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)	Pledge of Shares	Pledge of Shares
No. and % of shares encumbered	No. of Shares: 7,25,000 % of total share capital: 4.05	No. of Shares: 3,00,000 % of total share capital: 0.02%
Name of the Pledgor:	Mullapudi Srinivas Mullapudi Vijayalakshmi	Mullapudi Srinivas Bollineni Kishore Babu

		Encumbrance 7 (Date of creation of encumbrance: 29.03.2017 01.04.2017 13.12.2017 15.12.2017	Encumbrance 8 (Date of creation of encumbrance: 23.10.2018
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Golden Goenka Credit Pvt Ltd.	Girdhar Fiscal Services Pvt. Ltd.
	Whether the entity X is a scheduled conunercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	YES/NG	YES/NG
	Names of all other entities in the agreement	Listed company and its group companies (if any)-NIL Other entities (if any)-NIL	Listed company and its group companies (if any) -NIL Other entities (if any)-NIL
	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	¥BS/NO If yes, 1. Name of the issuer 2. Details of the debt instrument 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument	¥BS/NO If yes, 1. Name of the issuer 2. Details of the debt instrument 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument S. ISIN of the instrument
Security Cover/ Asset Cover	Value of shares on the date of event / agreement (A)	Rs. 5.35 Cr	Rs.1.38 Cr
	Amount involved (against which shares have been encumbered) (B)	Rs. 1.55 Cr	Rs. 0.50 Cr
	Ratio of A / B	3.45	2.76

		Encumbrance 7 (Date of creation of encumbrance: 29.03.2017 01.04.2017 13.12.2017 15.12.2017	Encumbrance 8 (Date of creation of encumbrance: 23.10.2018
End use of money	Borrowed amount to be utilized for what purpose - (a) Personal use by promoters and PACs (b) For the benefit of listed company Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc. (a) Any other reason (please specify)	To meet the funds requirement of the Listed entity. NIL	Shares are pledged for personal borrowing purpose. NIL

Signature of Authorized Signatory:

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M. Lokeswara Rao
Promoter

Place: Hyderabad
Date: 05/11/2019

Annexure - II**Format for disclosure of reasons for encumbrance**

(In addition to Annexure - I prescribed by circular dated August 05, 2015)

Name of listed company	LOKESH MACHINES LIMITED
Name of the recognised stock exchanges where the shares of the company are listed	Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE)
Name of the promoter(s) / PACs whose shares have been encumbered	Bollineni Kishore Babu Mullapudi Srikrishna Mullapudi Srinivas Mullapudi Kanakadurga Mullapudi Lokeswara Rao Mullapudi Vijayalakshmi
Total promoter shareholding in the listed company	No. of shares - 8932505 % of total share capital - 49.91%
Encumbered shares as a % of promoter shareholding	66.43%
Whether encumbered share is 50% or more of promoter shareholding	YES/NG
Whether encumbered share is 20% or more of total share capital	YES/NG

Details of all the existing events/arrangements pertaining to encumbrance

	Encumbrance 9 (Date of creation of encumbrance: 02.04.2019)	Encumbrance 10 (Date of creation of encumbrance: 03.06.2019)
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)	Pledge of Shares	Pledge of Shares
No. and % of shares encumbered	No. of Shares: 5,50,000 % of total share capital: 3.07%	No. of Shares: 7,50,000 % of total share capital: 4.19%
Name of the Pledgor:	Mullapudi Srinivas Mullapudi Kanakadurga	Mullapudi Lokeswara Rao Mullapudi Vijayalakshmi Mullapudi Srikrishna

		Encumbrance 9 (Date of creation of encumbrance: 02.04.2019)	Encumbrance 10 (Date of creation of encumbrance: 03.06.2019)
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Ashika Credit Capital Ltd.	Master Trust Ltd.
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	YES/NG	YES/NG
	Names of all other entities in the agreement	Listed company and its group companies (if any)-NIL Other entities (if any)-NIL	Listed company and its group companies (if any) -NIL Other entities (if any)-NIL
	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	YES/NO If yes, 1. Name of the issuer 2. Details of the debt instrument 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument	YES/NO If yes, 1. Name of the issuer 2. Details of the debt instrument 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument
Security Cover/ Asset Cover	Value of shares on the date of event / agreement (A)	Rs. 2.42 Cr	Rs. 3.46 Cr
	Amount involved (against which shares have been encumbered) (B)	Rs. 1 Cr	Rs.1.05 Cr
	Ratio of A / B	2.42	3.30

