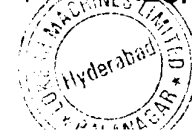


**UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2011**

| SI. No.   | PARTICULARS  | Rs.in Lakhs     |                         |   |   |  |                                |
|-----------|--|-----------------|-------------------------|---|---|--|--------------------------------|
|           |  | 3 months ended  | Previous 3 months ended | Corresponding 3 months ended in the previous year | Year to Date figures for current Period ended | Year to Date figures for the previous year ended | Previous accounting year ended |
|           |  | <b>31.12.11</b> | 30.09.11                | 31.12.10  | <b>31.12.11</b>                               | 31.12.10   | <b>31.03.11</b>                |
|           | (Un Audited)   | (Un Audited)    | (Un Audited)            | (Un Audited)                                      | (Un Audited)                                  | ( Audited)                                       |                                |
| <b>1</b>  | (a) Net Sales / Income from Operations   | 3,335.44        | 4,363.09                | 3,776.83  | 11,590.00                                     | 10,122.26  | <b>14,639.63</b>               |
|           | (b) Other Operating Income   | -               | -                       | -   | -   | -  | -                              |
|           | <b>Total Income (a+b)</b>  | <b>3,335.44</b> | <b>4,363.09</b>         | <b>3,776.83</b>                                   | <b>11,590.00</b>                              | <b>10,122.26</b>                                 | <b>14,639.63</b>               |
| <b>2</b>  | Expenditure :  |                 |                         |   |   |  |                                |
|           | a. (Increase) / Decrease in Stock in trade and WIP                               | (659.96)        | (90.25)                 | (80.50)   | (809.96)                                      | (186.31)   | (175.56)                       |
|           | b. Consumption of Raw Materials  | 1,981.84        | 2,445.50                | 2,189.95  | 6,549.17                                      | 5,510.51   | <b>8,107.05</b>                |
|           | c. Purchase of Traded Goods  | -               | -                       | -   | -   | -  | -                              |
|           | d. Employees Cost  | 674.23          | 681.98                  | 570.25  | 1,979.00                                      | 1,542.74   | <b>2,261.16</b>                |
|           | e. Depreciation  | 232.74          | 267.27                  | 183.50  | 694.25  | 551.85   | <b>741.36</b>                  |
|           | f. Other Manufacturing Expenses  | 482.27          | 361.07                  | 334.23  | 1,176.68                                      | 969.72   | <b>1,397.08</b>                |
|           | g. Other Expenditure   | 204.00          | 184.35                  | 241.59  | 532.50  | 507.35   | <b>959.69</b>                  |
|           | Less Captive Consumption   | (83.47)         | (16.03)                 | (202.50)  | (110.00)                                      | (246.65)   | (583.10)                       |
|           | h. Total   | <b>2,831.65</b> | <b>3,833.89</b>         | <b>3,236.52</b>                                   | <b>10,011.64</b>                              | <b>8,649.21</b>                                  | <b>12,707.68</b>               |
| <b>3</b>  | Profit from Operations before Other Income, Interest & Exceptional Items (1 - 2) | 503.79          | 529.20                  | 540.31  | 1,578.36                                      | 1,473.05   | <b>1,931.95</b>                |
| <b>4</b>  | Other Income   | 47.09           | 85.19                   | 22.91   | 163.88  | 85.34  | <b>400.94</b>                  |
| <b>5</b>  | Profit before Interest & Exceptional Items (3 + 4)                               | 550.88          | 614.39                  | 563.22  | 1,742.24                                      | 1,558.39   | <b>2,332.89</b>                |
| <b>6</b>  | Interest   | 396.29          | 381.07                  | 277.75  | 1,097.59                                      | 862.87   | <b>1,223.21</b>                |
| <b>7</b>  | Profit after Interest but before Exceptional Items (5 - 6)                       | 154.59          | 233.32                  | 285.47  | 644.65  | 695.52   | <b>1,109.68</b>                |
| <b>8</b>  | Exceptional Items (Net Prior Year Adjustm  | -               | -                       | -   | -   | -  | -                              |
| <b>9</b>  | <b>Profit (+) / Loss (-) from Ordinary Activities before Tax (7 + 8)</b>         | <b>154.59</b>   | <b>233.32</b>           | <b>285.47</b>                                     | <b>644.65</b>                                 | <b>695.52</b>                                    | <b>1,109.68</b>                |
| <b>10</b> | Tax Expense  | 46.38           | 67.43                   | 94.20   | 193.40  | 229.52   | <b>401.16</b>                  |
| <b>11</b> | <b>Net Profit (+) / Loss (-) from Ordinary Activities after Tax (9 - 10)</b>     | <b>108.21</b>   | <b>165.89</b>           | <b>191.27</b>                                     | <b>451.25</b>                                 | <b>466.00</b>                                    | <b>708.52</b>                  |
| <b>12</b> | Extra-ordinary Items (net of tax expense)  | -               | -                       | -   | -   | -  | -                              |
| <b>13</b> | <b>Net Profit / (Loss) for the period (11 - 12)</b>                              | <b>108.21</b>   | <b>165.89</b>           | <b>191.27</b>                                     | <b>451.25</b>                                 | <b>466.00</b>                                    | <b>708.52</b>                  |
| <b>14</b> | Paid up equity share capital (Face value of Rs.10 each)                          | 1,177.74        | 1,177.74                | 1,177.74  | 1,177.74                                      | 1,177.74   | <b>1,177.74</b>                |

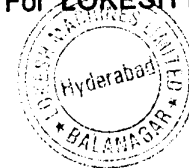
**FOR LOKESH MACHINES LTD.**



  
**Executive Director**

|    |  |           |           |           |           |           |           |
|----|--|-----------|-----------|-----------|-----------|-----------|-----------|
| 15 | Reserves excluding revaluation reserves as per balance sheet of previous accounting year     | -         | -         | -         | -         | -         | 7,352.14  |
| 16 | Earnings Per Share (EPS) in Rupees   | 0.92      | 1.41      | 1.62      | 3.83      | 3.96      | 6.02      |
|    | Basic EPS <u>before</u> Extra-ordinary Items (Not Annualised)                                | 0.92      | 1.41      | 1.62      | 3.83      | 3.96      | 6.02      |
|    | Basic EPS <u>after</u> Extra-ordinary Items (Not Annualised)                                 | 0.92      | 1.41      | 1.62      | 3.83      | 3.96      | 6.02      |
|    | Diluted EPS <u>before</u> Extra-ordinary Items (Not Annualised)                              | 0.92      | 1.41      | 1.62      | 3.83      | 3.96      | 6.02      |
|    | Diluted EPS <u>after</u> Extra-ordinary Items (Not Annualised)                               | 0.92      | 1.41      | 1.62      | 3.83      | 3.96      | 6.02      |
| 17 | Public Shareholding  |           |           |           |           |           |           |
|    | - Number of Shares   | 5,271,980 | 5,334,232 | 5,456,733 | 5,271,980 | 5,456,733 | 5,326,765 |
|    | - Percentage of shareholding   | 44.76     | 45.30     | 46.33     | 44.76     | 46.33     | 45.23     |
| 18 | Promoters and Promoter Group Shareholding  |           |           |           |           |           |           |
|    | a) Pledged / Encumbered  |           |           |           |           |           |           |
|    | - Number of shares   | 5,109,203 | 5,046,951 | 4,628,875 | 5,109,203 | 4,628,875 | 5,210,375 |
|    | - Percentage of shares (as a % of the total shareholding of promoter and promoter group)     | 78.54     | 78.33     | 73.23     | 78.54     | 73.23     | 80.78     |
|    | - Percentage of shares (as a % of the total share capital of the company)                    | 43.38     | 42.85     | 39.30     | 43.38     | 39.30     | 44.24     |
|    | b) Non - encumbered  |           |           |           |           |           |           |
|    | - Number of shares   | 1,396,217 | 1,396,217 | 1,691,792 | 1,396,217 | 1,691,792 | 1,240,260 |
|    | - Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group) | 21.46     | 21.67     | 26.77     | 21.46     | 26.77     | 19.22     |
|    | - Percentage of shares (as a % of the total share capital of the company)                    | 11.86     | 11.85     | 14.37     | 11.85     | 14.37     | 10.53     |

For LOKESH MACHINES LTD.



*[Signature]*  
Executive Director

Segment-wise Revenue, Results and Capital employed under Clause 41 of the Listing Agreement

| Particulars                              | Rs. In Lakhs    |                         |   |   |  |                                |
|--|-----------------|-------------------------|---|---|--|--------------------------------|
|  | 3 months ended  | Previous 3 months ended | Corresponding 3 months ended in the previous year | Year to Date figures for current Period ended | Year to Date figures for the previous year ended | Previous accounting year ended |
|  | 31.12.11        | 30.09.11                | 31.12.10  | 31.12.11                                      | 31.12.10   | 31.03.11                       |
|  | (Un Audited)    | (Un Audited)            | (Un Audited)                                      | (Un Audited)                                  | (Un Audited)                                     | (Audited)                      |
| <b>1 Segment Revenue</b>                 |                 |                         |   |   |  |                                |
| a) Machinery Division                    | 1,815.47        | 2,743.43                | 2,323.27  | 7,019.59                                      | 6,141.52   | 9,313.52                       |
| b) Components Division                   | 1,519.97        | 1,619.66                | 1,453.56  | 4,570.41                                      | 3,980.74   | 5,326.11                       |
| c) Unallocated                           | -               | -                       | -   | -   | -  | -                              |
| <b>TOTAL</b>                             | <b>3,335.44</b> | <b>4,363.09</b>         | <b>3,776.83</b>                                   | <b>11,590.00</b>                              | <b>10,122.26</b>                                 | <b>14,639.63</b>               |
| Less : Inter Segment Revenue             | -               | -                       | -   | -   | -  | -                              |
| <b>Net Revenue from Operations</b>       | <b>3,335.44</b> | <b>4,363.09</b>         | <b>3,776.83</b>                                   | <b>11,590.00</b>                              | <b>10,122.26</b>                                 | <b>14,639.63</b>               |
| <b>2 Segment Results:</b>                |                 |                         |   |   |  |                                |
| <b>Profit before Interest &amp; Tax</b>  |                 |                         |   |   |  |                                |
| a) Machinery Division                    | 531.56          | 309.43                  | 581.25  | 1,102.92                                      | 998.67   | 1,529.09                       |
| b) Components Division                   | 199.41          | 440.19                  | 237.98  | 1,094.72                                      | 1,078.29   | 1,474.03                       |
| c) Unallocated                           | -               | -                       | -   | -   | -  | -                              |
| <b>TOTAL</b>                             | <b>730.97</b>   | <b>749.62</b>           | <b>819.23</b>                                     | <b>2,197.64</b>                               | <b>2,076.96</b>                                  | <b>3,003.12</b>                |
| Less: Interest                           | 396.29          | 381.07                  | 277.74  | 1,097.59                                      | 862.86   | 1,223.21                       |
| Other unallocable Expenses net of Income | 180.09          | 135.23                  | 256.02  | 455.40  | 518.58   | 670.23                         |
| <b>TOTAL PROFIT BEFORE TAX</b>           | <b>154.59</b>   | <b>233.32</b>           | <b>285.47</b>                                     | <b>644.65</b>                                 | <b>695.52</b>                                    | <b>1,109.68</b>                |
| <b>3 Capital Employed</b>                |                 |                         |   |   |  |                                |
| a) Machinery Division                    | 5,702.71        | 5,543.76                | 5,896.80  | 5,702.71                                      | 5,896.80   | 5,657.73                       |
| b) Components Division                   | 3,850.07        | 3,900.81                | 3,099.08  | 3,850.07                                      | 3,099.08   | 3,443.79                       |
| c) Unallocated                           | -               | -                       | -   | -   | -  | -                              |
| <b>TOTAL</b>                             | <b>9,552.78</b> | <b>9,444.57</b>         | <b>8,995.88</b>                                   | <b>9,552.78</b>                               | <b>8,995.88</b>                                  | <b>9,101.52</b>                |


1. The Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at their Meeting held on February 14, 2012 and the limited review of the unaudited financial results for the quarter ended December 31, 2011 has been carried out by the statutory auditors of the Company.

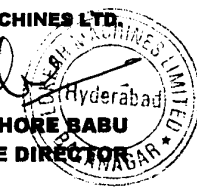
2. There have been no outstanding complaints from the Shareholders'/ Investors' either at the beginning or at the end of the Quarter ended 31-12-2011. Five complaints was received and resolved during the Quarter.

3. Previous period figures have been reclassified / regrouped to conform to the current period figures.

Hyderabad  
February 14 ,2012

For and on behalf of the Board  
LOKESH MACHINES LTD.

  
B. KISHORE BABU  
EXECUTIVE DIRECTOR





CHARTERED ACCOUNTANTS

AT VIJAYAWADA, HYDERABAD, VISAKHAPATNAM, GUNTUR, KAKINADA, TANUKU, ADONI, BANGALORE AND CHENNAI.

**REVIEW REPORT ON THE FINANCIAL RESULTS OF LOKESH MACHINES LIMITED,  
FOR THE QUARTER ENDING 31<sup>ST</sup> DECEMBER, 2011 TO BE SUBMITTED TO THE  
STOCK EXCHANGES.**

We have reviewed the accompanying statement of unaudited financial results of **LOKESH MACHINES LIMITED**, B-29, EEIE Stage-II, Balanagar, Hyderabad – 500 037, A.P., for the quarter ended 31<sup>st</sup> December, 2011 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements issued by the 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 of material misstatement. 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.

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 accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

for BRAHMAYYA & CO.  
Chartered Accountants  
Firms' Registration Number: 000513S

  
(K.S. RAO)  
Partner

Membership Number: 015850



Place : Hyderabad  
Date : 14<sup>th</sup> February, 2012