

**Valuation
Report
Of Equity
Share
Of**

**LOKESH MACHINES LTD
CIN: L29219TG1983PLC004319**

*(Private and Strictly
Confidential)*

Prepared by:

ANEESH

BANSAL

(IBBI REGISTERED VALUER-SFA)

Registration

No:IBBI/RV/03/2021/

14186

Contact Details

**CA Aneesh Bansal, 337/3,
Miller Ganj, Ludhiana
Punjab-141003**

M: +91 9779693800, E-Mail: casma.bcpl@gmail.com

Table of Contents

Sr. No.	Particulars
1	Purpose
2	About the Valuer
3	Background/Information of the Company
4	Balance Sheet of the Company
5	Appointing Authority
6	Disclosure of Valuer's Interest
7	Source of Information
8	Approach Considered in our Value
9	Financials
10	Valuation Sources
11	Limitations & Disclaimers:

Date: 05TH March, 2026

To,
The Board of Directors
Lokesh Machines Ltd
B-29 EEIE Stage, 2, Balanagar Hyderabad
Telangana.

CIN: - L29219TG1983PLC004319

Dear Sir/Madam,

Subject: Valuation of Equity Shares of the Company

I. Purpose:

We have been engaged by Lokesh Machines Ltd having its registered office at B-29 EEIE Stage, 2, Balanagar Hyderabad, Telangana (hereinafter referred to as "Freemans Measures" or "Company").

Lokesh Machines Ltd, a Company incorporated in India, planning to evaluate valuation of Equity Shares, accordingly, as per the request received from the management of the, we are evaluating the valuation of the Equity Shares of Company.

The information contained herein and our report is confidential. It is intended only for the sole use and information of the Company. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the purpose as aforesaid, can be done only with our prior permission of the valuer in writing.

II. About the Valuer:

CA Aneesh Bansal is a valuer registered with Insolvency and Bankruptcy Board of India ("IBBI") with Registration No.: IBBI/RV/03/2021/14186 for the purpose of carrying out the said valuation of equity shares.

III. Background / Information about LOKESH MACHINES

"Lokesh Machines Ltd" is a Company Limited by shares incorporated in India in the year 1983.

The Company primarily is in to the business of Manufacturing of Machine Tools and Auto Components.

The registered office of the Company is situated at B-29 EEIE Stage, 2, Balanagar Hyderabad, Telangana

The share capital and holding structure of the Company, on a fully diluted basis, as on date of this report is as under:

Particulars	Amount in INR
Authorized Share Capital:	
Equity- 2,20,00,000 Shares of Rs.10/-each	22,00,00,000
Issued, Subscribed and Paid-up Capital –	
Equity- 1,99,96,770 Shares of Rs.10/- each.	19,99,67,700

IV. Balance Sheet of the Company:

Statement of Fixed Assets, Non-Current Assets and Liabilities

(Amounts in Lakhs)

	As on 31 st December, 2025
Share Capital and liabilities	
Shareholder's Fund	22,648.42
Non-Current Liabilities	9,180.17
Current Liabilities and provisions	16,024.68
Total	47,853.27
Assets	
Fixed Assets	23,443.32
Current Assets	24,409.95
Total	47,853.27

V. Appointing Authority:

We were assigned with this project of valuation of the shares of the Company by the Board of Directors of the Company and engagement letter for this project has been signed by the Board of Directors of the company.

VI. Disclosure of Valuer's Interest/ Conflict:

The Valuer is not related to the Company or its promoters or its director or their relatives, the valuer has not any interest or conflict of interest with respect to the valuation under consideration.

VII. Sources of Information:

We were provided with the following information by the management of Lokesh Machines Limited for the valuation purpose as aforesaid:

- Brief background of the business of the company.
- Balance Sheet as on 31st December, 2025
- Information available on public domain.

VIII. Approach Considered in our Value Analysis

General Principle for Valuation

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.

Broadly there are three approaches of Valuations which are as follows:

- a. Income Approach
- b. Asset Approach
- c. Market Approach

IN SUMMARY:

The application of any method of valuation depends on the purpose for which the valuation exercise is performed; relevance of each method under the circumstances of the case and other factors as determined appropriate.

Net Asset Value under Asset Approach: This method takes into account the value of the assets of the business or the net worth as represented in the financial statements of the Company. For the purposes of arriving at NAV per share, total outside liabilities shall be reduced from the value of the total assets and the net figure so arrived at shall be divided by the number of equity shares issued and paid-up.

Discounted Cash Flow Method under Income Approach: The income-based method of valuation is based on the premise that the current value of any business is a function of the future value that an investor can expect to receive from purchasing all or part of the business. Under this technique the projected free cash flows to the equity shareholders are discounted at the cost of capital. The sum of the discounted value of such free cash flows is the value of the equity shares. Using the DCF analysis involves estimating future free cash flows and application of appropriate discount rate to cash flows. The DCF approach is considered theoretically the most sound, scientific and acceptable method for determination of the value of a business undertaking. The value so derived is not impacted by accounting practices as it is based on cash flows and not book profits. Further DCF factor incorporates all factors relevant to the business.

Market Price (MP) Method under Market Approach: The market price of an equity shares as quoted on a stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger/demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

IX. Financials

Financial as on 31st December, 2025:

Particulars	Amount in Lakhs
Share Capital	
Equity Share Capital	1999.68
Preference Share Capital	
Security Premium	
Reserves & Surplus	20648.74
Long Term Loans	7476.03
Other Non-Current Liability	1704.15
Short Term Loans	9062.65
Trade Payable	4749.64
Other Current Liability	2212.39
Provisions	-
TOTAL	47853.27
<u>Non-Current and Fixed Assets</u>	
Net Book Value	19975.24
Capital Work-in-Progress	829.92
Other Non-Current Assets	2638.16
<u>Current Assets</u>	
Inventories	15963.81
Trade Receivables	6088.46
Cash and Cash Equivalents	984.10
Short Term Loans and Advances	-
Other Current Assets	1373.58
TOTAL	47853.27

X. Valuation Sources:

For determining the Fair Value of equity, we have relied upon the following Certified Financial information, as provided to us by the management of Company as below:

Particulars	Amount in Lakhs
Non-Current Assets	23,443.32
Current Assets	24,409.95
Total Assets	47,853.27
Non-Current Liabilities	9,180.17
Current Liabilities	16,024.68
Total Liabilities	25204.85
Net Worth/Value of Company	22648.42

Valuation of Shares based on NAV Method

Particulars	Valuation
No. of Equity Shares as on relevant date	1,99,96,770
Net worth (as on 31.12.2025)	2,26,48,41,426
Net Asset Value per Equity Share	113.26 INR
Fair Value of Equity Shares as on 31.12.2025	113.26 INR

***Hence, based on the NAV Method and the parameters considered above, the value of each Equity Share of Lokesh Machines is computed at Rs. 113.26 per share.**

Valuation of Shares based on Market Price Method

We have considered the stock prices of M/s LOKESH MACHINES LTD from NSE for calculating the fair market value of equity shares of considering the volumes traded on NSE is higher than that in BSE.

- Details of trading volume on the BSE for 90 trading days prior to the relevant date is summarized as under:

S.No.	Date	VWAP	Volume	Value
1	04-Mar-26	183.8	61853	11368473.72
2	02-Mar-26	180.52	43412	7,836,567.76
3	27-Feb-26	184.3	41322	7,615,520.53
4	26-Feb-26	182.96	39297	7,189,755.12
5	25-Feb-26	181	46752	8,462,343.64
6	24-Feb-26	180.68	19833	3,583,356.85
7	23-Feb-26	180.2	56092	10,107,839.29
8	20-Feb-26	179.92	22023	3,962,421.77
9	19-Feb-26	179.92	27701	4,983,888.68
10	18-Feb-26	181.56	41763	7,582,523.10
11	17-Feb-26	177.08	48735	8,630,028.60
12	16-Feb-26	176.56	38072	6,722,106.61
13	13-Feb-26	180.2	63823	11,500,671.80
14	12-Feb-26	180.85	24559	4,441,549.52
15	11-Feb-26	181.83	57173	10,395,815.63
16	10-Feb-26	179.86	30043	5,403,446.64
17	09-Feb-26	178.43	71301	12,722,453.20
18	06-Feb-26	171.33	13830	2,369,448.36
19	05-Feb-26	175.14	24732	4,331,590.06
20	04-Feb-26	176.05	19965	3,514,926.30
21	03-Feb-26	177.17	53324	9,447,173.20
22	02-Feb-26	174.55	84711	14,785,962.03
23	01-Feb-26	173.99	49044	8,533,348.58
24	30-Jan-26	175.6	68301	11,993,756.73
25	29-Jan-26	169.48	40490	6,862,404.13
26	28-Jan-26	165.59	52619	8,712,975.11
27	27-Jan-26	155.98	51446	8,024,519.37
28	23-Jan-26	157.66	48118	7,586,419.85
29	22-Jan-26	164.73	37813	6,229,031.84
30	21-Jan-26	165.17	77412	12,785,826.23
31	20-Jan-26	169.09	133312	22,541,452.12
32	19-Jan-26	181.95	107769	19,608,530.10
33	16-Jan-26	188.21	111326	20,953,120.64

IBBI Registration No: IBBI/RV/03/2021/14186

34	14-Jan-26	182.38	106175	19,364,276.65
35	13-Jan-26	181.61	88204	16,018,968.26
36	12-Jan-26	180.66	75929	13,716,959.42
37	09-Jan-26	182.92	143574	26,262,293.39
38	08-Jan-26	178.39	87226	15,559,868.29
39	07-Jan-26	181.19	130909	23,719,628.66
40	06-Jan-26	187.93	231827	43,568,168.34
41	05-Jan-26	188.98	1715675	324,227,193.74
42	02-Jan-26	169.97	17109	2,908,010.41
43	01-Jan-26	171.88	121928	20,956,806.72
44	31-Dec-25	163.16	19809	3,232,051.88
45	30-Dec-25	163.1	44410	7,243,136.52
46	29-Dec-25	164.56	51851	8,532,659.21
47	26-Dec-25	165.8	56926	9,438,536.77
48	24-Dec-25	166.59	49672	8,275,097.50
49	23-Dec-25	167.33	47176	7,893,814.99
50	22-Dec-25	166.43	57237	9,525,861.92
51	19-Dec-25	164.43	37323	6,137,143.77
52	18-Dec-25	162.31	34770	5,643,493.37
53	17-Dec-25	168.48	30746	5,179,964.06
54	16-Dec-25	169.91	47882	8,135,719.28
55	15-Dec-25	170.8	135601	23,161,021.53
56	12-Dec-25	171.77	847817	145,630,836.85
57	11-Dec-25	155.47	51428	7,995,741.03
58	10-Dec-25	152.09	39697	6,037,463.99
59	09-Dec-25	144.96	54739	7,934,941.37
60	08-Dec-25	146.54	33057	4,844,091.39
61	05-Dec-25	150.62	47873	7,210,648.06
62	04-Dec-25	151.6	56249	8,527,077.48
63	03-Dec-25	148.97	72420	10,788,671.05
64	02-Dec-25	148.88	148240	22,070,415.72
65	01-Dec-25	156.07	40525	6,324,866.64
66	28-Nov-25	156.2	59823	9,344,633.42
67	27-Nov-25	158.66	187053	29,677,436.02
68	26-Nov-25	160.55	37343	5,995,267.02
69	25-Nov-25	159.81	46913	7,497,016.75
70	24-Nov-25	164.24	87584	14,384,602.01
71	21-Nov-25	170.25	48401	8,240,203.69
72	20-Nov-25	168.15	185623	31,212,180.22
73	19-Nov-25	179.94	43047	7,745,944.58
74	18-Nov-25	178.4	23877	4,259,773.32
75	17-Nov-25	182.66	19273	3,520,430.51
76	14-Nov-25	182.51	13624	2,486,476.69
77	13-Nov-25	181.14	17421	3,155,682.67
78	12-Nov-25	177.62	55471	9,852,758.19
79	11-Nov-25	184.07	39988	7,360,758.76

80	10-Nov-25	188.18	66457	12,505,708.51
81	07-Nov-25	187.42	41400	7,759,184.64
82	06-Nov-25	184.37	40639	7,492,762.52
83	04-Nov-25	188.33	21866	4,118,111.77
84	03-Nov-25	189.77	19794	3,756,369.38
85	31-Oct-25	190.63	34034	6,487,741.39
86	30-Oct-25	191.95	26295	5,047,292.97
87	29-Oct-25	192.14	62009	11,914,634.99
88	28-Oct-25	196.92	57589	11,340,686.43
89	27-Oct-25	194.75	98786	19,238,909.84
90	24-Oct-25	193.62	28586	5,534,694.49
		Total	77,94,866	1,376,783,936.15

- Details of trading volume on the BSE for 10 trading days prior to the relevant date is summarized as under:

S.No.	Date	VWAP	Volume	Value
1	04-Mar-26	183.8	61853	11368473.72
2	02-Mar-26	180.52	43412	7,836,567.76
3	27-Feb-26	184.3	41322	7,615,520.53
4	26-Feb-26	182.96	39297	7,189,755.12
5	25-Feb-26	181	46752	8,462,343.64
6	24-Feb-26	180.68	19833	3,583,356.85
7	23-Feb-26	180.2	56092	10,107,839.29
8	20-Feb-26	179.92	22023	3,962,421.77
9	19-Feb-26	179.92	27701	4,983,888.68
10	18-Feb-26	181.56	41763	7,582,523.10
		Total	4,00,048	7,26,92,690.46

Since NSE has recorded highest trading volume in respect of equity shares during the preceding 90 trading days prior to the relevant date, we have considered market price on NSE to compute the Applicable Minimum Price based on the regulations 164(1) of the SEBI ICDR regulations.

Detailed day wise trading volume for 90 trading days prior to the relevant date is attached.

We have determined the applicable minimum price under ICDR Guidelines as below:

Particulars	VWAP (INR)
A] Average of 90 trading days VW AP	176.63
BI Average of 10 trading days VWAP	181.71
Applicable Minimum Price (Higher of the A or B)	181.71

Based on the above computation, the value of equity shares of M/s Lokesh Machines Ltd. is considered at INR 181.71 per equity share as of the valuation date for the said valuation purpose, as determined under the Market Price Method.

Valuation of Shares based on Discounted Cash Flow Approach

I. Financials

Financial Projections:

The Profit and Loss projections for the year ended 31st March 2027 to 31st March 2031 as shown below:

Figures in Crores

Particulars	31.03.2027	31.03.2028	31.03.2029	31.03.2030	31.03.2031
Net Sales	352.40	452.45	563.51	690.60	850.51
Cost of Sales	280.06	362.71	455.28	560.47	692.62
Gross Profit	72.34	89.74	108.23	130.13	157.89
Selling & Admin	17.68	18.56	19.49	19.88	21.87
Operating Profit (EBITDA)	54.66	71.18	88.74	110.25	136.02
Depreciation	15.12	15.12	15.12	15.29	15.80
Operating Profit (EBIT)	39.54	56.06	73.62	94.96	120.23
Interest	20.66	19.24	17.75	16.24	14.87
Net profit before tax	18.88	36.82	55.87	78.72	105.36
Other Income	1.00	1.00	1.00	1.00	1.00
Net profit before tax	19.88	37.82	56.87	79.72	106.36
Taxes					
Income Tax	6.66	12.67	19.05	26.71	35.63
Profit c/f to Balance Sheet	13.22	25.15	37.82	53.01	70.73

The Balance sheet projections for the year ended 31st March 2027 to 31st March 2031 as shown below:

Particulars	31.03.2027	31.03.2028	31.03.2029	31.03.2030	31.03.2031
Share Capital	-				
Shareholder Fund	241.84	262.99	295.82	343.83	409.56
Term Loan	88.78	74.49	58.91	44.25	31.47
Short Term Borrowings	89.00	89.00	89.00	89.00	89.00
Trade Payable	35.36	45.11	50.10	63.72	78.38
Other Current Liability and Prov.	34.87	36.17	37.55	38.93	41.02
TOTAL	489.85	507.76	531.38	579.73	649.43
Non-Current and Fixed Assets					
Gross Block	402.25	402.25	402.25	418.25	434.25
less: Depreciation	181.53	196.65	211.77	227.06	242.86
Net Book Value	220.72	205.6	190.48	191.19	191.39
Other Non-Current Asset	24.14	25.2	27.44	32.76	36.01
Current Assets					
Inventories	154.64	156.88	161.14	164.41	171.7
Trade Receivables	46.99	65.98	82.18	100.71	124.03
Cash and Cash Equivalents	16.35	16.91	21.77	27.38	35.76
Other Current Assets	27.01	37.19	48.37	63.28	90.54
TOTAL	489.85	507.76	531.38	579.73	649.43

II. Valuation Sources:

For determining the Fair Value of equity, we have relied upon the following information, as provided to us by the management of Company:

Particulars	Value	Source
Jyoti CNC Automation Ltd.	1.27	https://www.moneycontrol.com/india/stockpricequote/misc-commercial-services/jyotincncautomation/JCA
Azad Engineering Ltd.	1.44	https://www.moneycontrol.com/india/stockpricequote/aerospacedefence/azadengineering/AEL02

Birla Precision Technologies Ltd.	1.32	https://www.moneycontrol.com/india/stockpricequote/machine-tools/birlaprecisiontechnologies/BPT01
Average Beta	1.34	
Risk Free rate of Return	5.32	https://www.rbi.org.in/Scripts/BS_NSDDisplay.aspx?param=4
Market rate of return	12.00	
Cost of Equity	14.29%	(As per Discounting Cash Flow Method)

Valuation of Shares based on Discounted Cash Flow Approach

Figures in Crores

Valuation Working	1	2	3	4	5
	2027	2028	2029	2030	2031
Profit after Tax	13.22	25.15	37.82	53.01	70.73
Add: Depreciation	15.12	15.12	15.12	15.29	15.80
Net Operating Profit to Equity Shareholders	28	40	53	68	87
Less: Capex	-	-	-	-	-
Less: Increase in WC	69	20	25	22	41
Add: Net Borrowings	(13)	88	(16)	(15)	(13)
Free Cash Flows to Equity	(55)	108	12	32	33
PV Factor	0.8749	0.7655	0.6698	0.5860	0.5127
Present Value of FCFE	(48)	83	8	19	17
Present Value of Terminal Value					180
Total Present Value	(48)	83	8	19	197
Total of Present Value	258				
No. Of Shares	1,99,96,770				
Fair Value Per Equity Share	129.21				
Less: Adjustment for					
DLOC @ 5%	(6.46)				
DLOM @ 5%	(6.46)				
Fair Value per Share	116.29				

Hence, we conclude that the value of each Equity Share of Lokesh Machines Ltd., based on the above parameters under the Discounted Cash Flow (DCF) Approach, is computed at Rs. 116.29 i.e., Rs. 116 per share.”

Based on our valuation analysis discussed in this Report and considering that *M/s Lokesh Machines Ltd. is a listed company with regularly traded equity shares*, the Market Approach in accordance with the ICDR Guidelines is considered to be the most appropriate and reliable basis for determination of value. Accordingly, the value of the equity shares of *M/s Lokesh Machines Ltd. is determined at INR 181.71 per equity share as on the Relevant Date*. The valuation outcomes under various approaches are summarized below:

Valuation Approach	Value per share (INR)
Market approach - ICDR Guideline	181.71
Income approach - DCF method	116.29
Asset approach - NAV method	113.26

XI. Limitations & Disclaimers:

- Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While Freemans Measures has provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review, due diligence or examination of any of the historical or prospective information used and therefore, does not express any opinion with regards to the same.
- The draft of the present report was circulated to the Management for

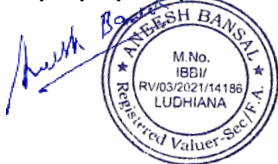
confirming the facts stated in the report and to confirm that information or facts stated are not erroneous and the assumptions used are reasonable.

- No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.
- Our work does not constitute an audit or certification of the historical financial statements of the Company referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- Valuation analysis and results are specific to the purpose of valuation mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company. We assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.
- A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Company including any significant changes that have taken place or are likely to take place in the financial position of the Company. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

IBBI Registration No: IBBI/RV/03/2021/14186

- Any person/party intending to provide finance/invest in the shares/business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- The decision to carry out the transaction (including consideration thereof) on the basis of this valuation lies entirely with the Management/ the Company and our work and our finding shall not constitute a recommendation as to whether or not the Management/ the Company should carry out the transaction.
- Our report is meant for the purpose mentioned in Para 1 and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- Neither Valuer, nor its partners/directors, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

Aneesh Bansal
(Registered Valuer)
IBBI/RV/03/2021/14186



Date: 05TH March, 2026
Place: Ludhiana