

LAKSHMI MACHINE WORKS LIMITED

CIN: L29269TZ1962PLC000463

Registered Office: SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore, Tamil Nadu - 641 020, India
Phone No.: +91 422 7192255

Corporate Office: 34A, Kamaraj Road, Coimbatore 641 018, India, Phone No: +91 422 7198100

Website: www.lmwglobal.com, Email: secretarial@lmw.co.in**NOTICE OF MEETING OF THE UNSECURED CREDITORS OF LAKSHMI MACHINE WORKS LIMITED
CONVENED PURSUANT TO THE ORDER DATED 13 JULY 2022 PASSED BY THE CHENNAI BENCH
OF THE NATIONAL COMPANY LAW TRIBUNAL****MEETING:**

Day	Friday
Date	2 September 2022
Time	2:00PM (India Standard Time/ IST)
Mode of meeting	In view of the ongoing COVID-19 pandemic and related social distancing norms, as per the directions of the Hon'ble National Company Law Tribunal, Chennai Bench, the meeting shall be conducted through video conferencing ('VC') / other audio-visual means ('OAVM') from the Corporate Office at 34A, Kamaraj Road, Coimbatore 641 018.

REMOTE E-VOTING DETAILS:

Commencing on:	30 August 2022 at 9:00 AM (IST)
Ending on:	1 September 2022 at 5:00 PM (IST)

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Form CAA2**[Pursuant to Section 230(3) and Rule 6 of the Companies (Compromises, Arrangements & Amalgamation) Rules, 2016]**

Before the National Company Law Tribunal, Chennai Bench

COMPANY SCHEME APPLICATION NO. 19 of 2022

In the matter of Scheme of Arrangement between Lakshmi Machine Works Limited (Transferor Company) and LMW Aerospace Industries Limited (Transferee Company) and their respective shareholders under Sections 230-232 of the Companies Act, 2013 ('Scheme')

LAKSHMI MACHINE WORKS LIMITED**.....APPLICANT COMPANY**

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT COMPANY PURSUANT TO THE ORDER DATED 13 JULY 2022 PASSED BY THE CHENNAI BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL

To,

The Unsecured Creditors of Lakshmi Machine Works Limited

NOTICE is hereby given that by an Order dated 13 July 2022, in the above mentioned Company Scheme Application (**the 'Order'**), the Hon'ble National Company Law Tribunal, Chennai Bench (**'NCLT' or 'Tribunal'**) has directed a Meeting of the Unsecured Creditors of the Applicant Company be held for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Lakshmi Machine Works Limited (**'Transferor Company'**) and LMW Aerospace Industries Limited (**'Transferee Company'**) and their respective shareholders (**'the Scheme'**).

In pursuance of the said Order and as directed therein, further Notice is hereby given that a Meeting of the Unsecured Creditors of the said Applicant company will be held on Friday, 2 September 2022 at 2:00 PM (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") (hereinafter referred to as the 'e-Meeting') in compliance with the applicable provisions of the Companies Act, 2013 and applicable General Circulars issued by Ministry of Corporate Affairs, Government of India ('MCA Circular') and by the Securities and Exchange Board of India ('SEBI') to transact the following business:

To consider and, if thought fit, to pass with or without modification(s) and with requisite majority, the following resolution under Section 230 to 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions of Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the provisions of the Memorandum and Articles of Association of the Company for approval of the arrangement embodied in the Scheme of Arrangement between Lakshmi Machine Works Limited (**'Transferor Company'**) and LMW Aerospace Industries Limited (**'Transferee Company'**) and their respective shareholders (**'Scheme'**):

"RESOLVED THAT pursuant to the provisions of Section 230 to section 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013, the rules, circulars, and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities Exchange Board of India

Circular No CFD/DIL3/CIR/2017/21 dated 10th March 2017 and further modifications made thereto, the No-Objection Letters issued by BSE Limited and the National Stock Exchange of India Limited dated 28 October 2021 and subject to provisions of the Memorandum and Articles of Association of the Company and subject to approval of the Hon'ble National Company Law Tribunal, Chennai Bench ('NCLT') and subject to the approval of the equity shareholders and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Arrangement between Lakshmi Machine Works Limited ('Transferor Company') and LMW Aerospace Industries Limited ('Transferee Company') and their respective shareholders ('Scheme'), be and is hereby approved.

RESOLVED FURTHER THAT *Mr Sanjay Jayavarthanelu, Chairman and Managing Director, Mr. K Soundhar Rajhan, Director – Operations, Mr. V Senthil, Chief Financial Officer and Mr. C R Shivkumaran, Company Secretary be and hereby severally authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."*

As the Meeting is convened via Video Conferencing and Other Audio Visual Means as permitted under the MCA Circular(s) / SEBI Circular(s), the Company is sending the Notice in electronic form only to the Unsecured creditors who have registered their e-mail address with the Company. For Unsecured Creditors who have not registered their email address, the Notice is being sent through Post/Courier to their postal address as available on record. In compliance with Regulation 44 of the Listing Regulations and pursuant to the provisions of Sections 108 of the Companies Act read with the rules framed thereunder and the MCA Circular, the Company has also extended the remote e-voting facility for its unsecured creditors, to enable them to cast their votes electronically. The instructions for remote e-voting are appended to the Notice. The unsecured creditors can vote on resolutions through remote e-voting facility or through voting during the e-Meeting. Assent or dissent of the creditors on the resolution mentioned in the Notice would only be taken through the remote e-voting system as per the MCA Circulars. Only those unsecured creditors, who will be present in the e-Meeting through VC/OAVM Facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the e-Meeting.

Pursuant to the provisions of the Companies Act 2013, an unsecured creditor entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be an unsecured creditor of the Company. Since this e-Meeting is being held pursuant to the MCA Circular through VC / OAVM, physical attendance of unsecured creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the unsecured creditors will not be available for the e-Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

The unsecured creditors may refer to the Notes to this Notice for the details of e-Meeting and remote e-voting.

The Tribunal has appointed Mr. K. Soundhar Rajhan, Director Operations of Transferor Company as Chairperson of the said e-Meeting including for any adjournment or adjournments thereof. The above-mentioned arrangement, if approved by the unsecured creditors, will be subject to the subsequent approval of the Hon'ble NCLT and any other approvals as may be required.

Copy of the Scheme, explanatory statement under Section 230-232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other enclosures as indicated in the index are enclosed.

Sd/-

K Soundhar Rajhan Chairman appointed for the e-Meeting

DIN: 07594186

Date: 29 July 2022

Place: Coimbatore

Registered Office:

SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore, Tamil Nadu - 641 020, India

Corporate Office: 34A Kamaraj Road, Coimbatore, Tamil Nadu – 641 018, India

Website: www.lmwglobal.com

Email: secretarial@lmw.co.in

CIN: L29269TZ1962PLC000463

Since the e-Meeting of Unsecured Creditors will be held through VC / OAVM, the Route Map is not annexed in this Notice.

Notes:

1. The Board of Directors of the Applicant Company at its meeting held on 24 May 2021 had approved the Scheme of Arrangement between Lakshmi Machine Works Limited ('Transferor Company') and LMW Aerospace Industries Limited ('Transferee Company') and their respective shareholders subject to the sanction of the NCLT and of such other authorities as may be necessary.
2. The Explanatory Statement pursuant to Sections 102, 230(3) and 232(2) of the Companies Act, 2013 ('Act') read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out above is annexed hereto.
3. The Hon'ble Tribunal *vide* its Order, has issued directions to hold the meeting of unsecured creditors on 2 September 2022. Accordingly, the e-meeting of the unsecured creditors of the Company is being convened on 2 September 2022, at 2:00 PM (IST), through VC, for the purpose of considering, and if thought fit, approving, the Scheme.
4. Only Unsecured Creditors of the Applicant Company who have an outstanding balance as on the close of business hours as on 31 March 2022 may attend and vote (either in person or through authorized representative) at the Unsecured Creditors' meeting. The authorized representative of a body corporate which is an Unsecured Creditor of the Applicant Company may attend and vote at the Unsecured Creditors' meeting provided a certified true copy of the Board/Custodial Resolutions/Power of Attorney in original, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf is deposited at the registered office of the Applicant Company and/or e-mailed to lmwscrutinizer@mdsassociates.in with a copy marked to NSDL at evoting@nsdl.com not later than 48 hours before the meeting, authorizing such representative to attend and vote at the said Unsecured Creditors' meeting.
5. As directed by the Chennai Bench of the NCLT, the quorum for the e-Meeting of the unsecured creditors of the Applicant Company shall be 30 unsecured creditors in number of the Applicant Company, present in person / through authorized representative through video conference. In case there is no quorum at the designated time of the meeting, then the e-Meeting shall be adjourned by half an hour, and thereafter, the persons present and voting shall be deemed to constitute the quorum.
6. The Notice is being sent to / published / displayed for all the Unsecured Creditors, who have an outstanding balance as on the close of business hours as on 31 March 2022.
7. The Company has engaged National Securities Depository Limited ('NSDL'), to provide VC facility for the e-Meeting.

8. Unsecured Creditors can attend the e-Meeting through log in credentials provided to them to connect to VC.
9. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if majority in number representing three fourth in value of the Unsecured Creditors of the Applicant Company, voting in person or by authorised representative, agree to the Scheme. Body corporates are entitled to appoint authorised representatives to attend the e-Meeting through VC and participate thereat and cast their votes through e-voting.
10. The Unsecured creditors can join the e-Meeting 15 minutes before the scheduled time of the commencement of the e-Meeting and upto 15 minutes after the scheduled time to start the e-meeting by following the procedure mentioned in the Notice.
11. The attendance of the Unsecured creditors attending the e-Meeting through log in will be counted for the purpose of reckoning the quorum specified by the NCLT.
12. **Remote e-voting:** The Applicant Company is providing facility of remote e-voting to its Unsecured creditors through e-voting agency namely NSDL. The Notice of remote e-voting indicating the detailed procedure and manner of remote e-voting along with the user ID and Password is given below.
13. **Voting at the e-Meeting:** Those Unsecured creditors, who will be present in the e-Meeting through VC facility and have not cast their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the e-Meeting. Unsecured creditors who have cast their votes through remote e-voting may attend the e-Meeting but shall not be entitled to cast their vote during the e-Meeting.
14. In compliance with the NCLT Order, the Notice, together with the documents accompanying the same, is being sent to all the Unsecured Creditors, electronically by e-mail to those unsecured creditors who have registered their e-mail ids with the Applicant Company. For Unsecured Creditors who have not registered their email address, the Notice is being sent through Post/Courier to their postal address as available on record. In case any unsecured creditors wish to receive a copy of the notice they are requested to send an email to lmwgreen@skdc-consultants.com duly quoting his/her name, and soft copy of this Notice will be provided to such unsecured creditor.
15. In line with the Order the notice calling the e-Meeting has been uploaded on the website of the Company at www.lmwglobal.com and is also available on the website of e-voting agency at www.evoting.nsdl.com. The Notice can also be accessed from the websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The notice convening the e-Meeting will be published through an advertisement in the newspapers, Business Line in English language (All India Edition) and in "Navbharat Times", Hindi (All India Edition) and Dina Malar in Tamil language (Tamil Nadu Edition).
16. The remote e-voting period commences on 30 August 2022 (9.00 AM. IST) and ends on 1 September 2022 (5.00 PM IST). During this period, unsecured creditors of the Applicant Company, having outstanding balance as on 31 March 2022, may cast their vote electronically. Once the vote on a resolution is cast by the unsecured creditors, the unsecured creditors shall not be allowed to change it subsequently. The remote e-voting module shall be disabled by NSDL for voting thereafter.
17. The NCLT has appointed M/s. MDS & Associates, Coimbatore as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
18. The Scrutiniser shall submit his Report to the Chairman of the e-Meeting or a person authorised by him in writing, after scrutinising the voting done by the unsecured creditors. The scrutiniser's decision on the validity of the votes cast shall be final.
19. The results shall be declared within 2 working days of conclusion of the e-Meeting by the Chairman of

the meeting or any other person as authorized by the Chairman and the Resolution will be deemed to be passed on the e-Meeting date subject to the requisite number of votes in favour of the Resolution.

20. The Results declared along with the Scrutiniser's Report shall be placed on the Company's website www.lmwglobal.com and on the website of National Securities Depository Limited i.e., www.evoting.nsdl.com within 2 working days from the conclusion of the e-Meeting and shall also be communicated to the Stock Exchanges where the Company's shares are listed as also displayed in the Notice Board at the Registered Office of the Applicant Company.

21. **Procedure for remote e-voting**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 (including any statutory modification(s), clarifications, exemptions or reenactments thereof for the time being in force), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS - 2), the Company is providing to its Unsecured creditors with the facility to cast their vote electronically from a place other than venue of the Meeting ("remote e-voting") using an electronic voting system provided by National Securities Depository Limited ("NSDL") as an alternative, for all Unsecured Creditors' of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of the NCLT convened Unsecured creditors Meeting and the business may be transacted through such remote e-voting/ e-voting during the meeting. Instructions to Shareholders provided hereinafter for e-voting explains the process for casting the votes and participating in the meeting.

The remote e-voting period begins on Tuesday, 30th August 2022 at 09:00 A.M. India Standard Time (IST) and ends on Thursday, 1st September 2022 at 05:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Unsecured creditors who have an outstanding balance with the Company as on the record date ("Cut-off date") i.e., Thursday, 31st March 2022, may cast their vote electronically.

Instructions:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. **Your Login id and password details casting your vote electronically and for attending the Meeting of Creditors through VC/ OAVM will be sent by NSDL as a separate email. Make use of the same for logging in.**
5. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
6. Now, you will have to click on "Login" button.
7. After you click on the "Login" button, Home page of e-Voting will open.
8. You will be able to see the EVEN no. of the company.
9. Click on "EVEN" of company to cast your vote.
10. Now you are ready for e-Voting as the Voting page opens.
11. Cast your vote by selecting appropriate options i.e. assent or dissent, and click on "Submit" and also "Confirm" when prompted.
12. Upon confirmation, the message "Vote cast successfully" will be displayed.

13. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
14. Once you confirm your vote on the resolution, you will not be allowed to modify your vote
15. If you face any problems/experience any difficulty or if you forgot your password please feel free to contact toll free number 1800 1020 990 /1800 224 430 or contact on email id evoting@nsdl.co.in

The instructions for Unsecured Creditors for e-voting on the day of the Unsecured Creditors Meeting are as under:

- 1) The procedure for e-Voting on the day of the Unsecured Creditor Meeting is same as the instructions mentioned above for remote e-voting.
- 2) Only those Unsecured Creditors, who will be present in the Unsecured Creditors meeting through VC/OAVM facility and have not casted their vote on the Resolution through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Unsecured Creditors Meeting.

General Guidelines for Unsecured Creditors

1. Institutional Unsecured creditors (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to lmwscrutinizer@mdsassociates.in with a copy marked to evoting@nsdl.co.in. Institutional Unsecured creditors (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in

Process for those Unsecured creditors whose email ids are not registered with the Company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:

1. Please send a request along with necessary supporting documents evidencing your status as Unsecured creditor by email to investors@lmw.co.in.
2. Alternatively Unsecured creditors may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

Instructions for Unsecured Creditors for attending the Unsecured Creditors Meeting through VC/OAVM are as under:

1. Unsecured Creditors will be provided with a facility to attend the Unsecured Creditors Meeting through VC/OAVM through the NSDL e-Voting system. Unsecured Creditors may access the same at <https://www.evoting.nsdl.com> under shareholder / member login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / member login where the EVEN of Company will be displayed.
2. Unsecured creditors are encouraged to join the Meeting through Laptops for better experience.
3. Further Unsecured creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Unsecured creditors who would like to express their views/have questions may send their questions in advance mentioning their name, Party Code, PAN, email id, mobile number at investors@lmw.co.in on or before 05.00 P.M IST on Wednesday, 31st August 2022. The same will be replied by the Company suitably.
6. Unsecured creditors who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request mentioning their name, Party code, PAN, email id, mobile number to investors@lmw.co.in on or before 05:00 P.M. IST on Wednesday, 31st August 2022.
7. Those Unsecured creditors who have registered themselves as a speaker will only be allowed to express their views/ask questions only during the Meeting.
8. Unsecured creditors can join the Meeting in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the Meeting through VC/OAVM will be made available for 1,000 Unsecured creditors on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Meeting without restriction on account of first come first served basis.

Before the National Company Law Tribunal Bench, at Chennai

COMPANY SCHEME APPLICATION NO. 19 OF 2022

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Scheme of Arrangement between Lakshmi Machine Works Limited ('Transferor Company') and LMW Aerospace Industries Limited ('Transferee Company') and their respective shareholders

LAKSHMI MACHINE WORKS LIMITED... THE APPLICANT COMPANY

EXPLANATORY STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT 2013 FOR THE MEETING OF THE UNSECURED CREDITORS OF LAKSHMI MACHINE WORKS LIMITED CONVENED PURSUANT TO THE ORDER DATED 13 JULY 2022 PASSED BY THE CHENNAI BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL

In this statement, Lakshmi Machine Works Limited is hereinafter referred to as 'LMW' or 'the Applicant Company'. The other definitions contained in the Scheme will apply to this Explanatory Statement also. The following statement as required under Section 230(3) of the Companies Act, 2013 sets forth the details of the proposed Scheme and such other details as required under Sections 230-232 of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. It further sets forth effects of the Scheme and, in particular any material interests of the Directors in their capacity as members.

1. Pursuant to an Order dated 13 July 2022 passed by the Hon'ble National Company Law Tribunal, Chennai Bench (**'NCLT'**) in the Company Application No. 19 of 2022 referred to hereinabove, a meeting of the Unsecured Creditors of Lakshmi Machine Works Limited is being convened and held through video conferencing ('VC') / other audio visual means ('OAVM') ('e-Meeting') on 2 September 2022 at 2:00 PM ('IST') for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between Lakshmi Machine Works Limited ('Transferor Company') and LMW Aerospace Industries Limited ('Transferee Company') and their respective shareholders ('Scheme').
2. As directed by the Hon'ble NCLT, the Company is convening an e-Meeting of its Unsecured Creditors, who are required to pass the resolution approving the Scheme by, inter-alia, e-voting.
3. The draft Scheme was placed before the Audit Committee and Board of Directors of the Company, Board of Directors of the Transferee Company at their respective Meetings held on 24 May 2021. In accordance with the provisions of SEBI Circular, the Audit Committee of the Company vide a resolution passed on 24 May 2021 recommended the Scheme to the Board of Directors of the Company *inter-alia* taking into account:
 - a) The Valuation report issued by Mr. Pawan Shivkumar Poddar (Registered Valuer) dated 24 May 2021.
 - b) Statutory Auditors certificate dated 24 May 2021 issued by M/s. S. Krishnamoorthy & Co.,

Chartered Accountants, Statutory Auditors of the Company, in relation to the accounting treatment prescribed in the Scheme.

4. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Company has come to the conclusion that the Scheme is in the best interest of the Company and its Shareholders.
5. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the unsecured creditors, of the Company, voting in person through VC/ OAVM or e-voting, agree to the Scheme.
6. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.

7. **BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:**

Lakshmi Machine Works Limited ('the Applicant Company' or 'the Transferor Company')

- a) The Company was incorporated on 14 September 1962 as Lakshmi Machine Works Limited in Tamil Nadu. The Company is engaged in the business of manufacturing and selling of Textile Machinery, Machine Tools, Castings and parts and components for Aerospace industry. Till the date of despatch of this notice, there has been no change in the name of the Applicant Company. The Corporate Identification Number of the Company is L29269TZ1962PLC000463. Permanent Account Number of the Company is AAACL5244N.
- b) The Registered Office of the Applicant Company is situated at SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore, Tamil Nadu - 641 020. There has been no change in the registered office of the Applicant Company in the last 5 years.
- c) The email address of the Applicant Company is secretarial@lmw.co.in.
- d) The details of the Authorised, Issued, Subscribed and Paid-up share capital of the Applicant Company as on 31 March 2022 are as under:

Particulars	Amount (in Rs.)
Authorised Capital	
5,00,00,000 Equity Shares of Rs. 10/- each	50,00,00,000
TOTAL	50,00,00,000
Issued, Subscribed and Paid-up Capital	
1,06,83,000 Equity Shares of Rs. 10/- each fully paid up	10,68,30,000
TOTAL	10,68,30,000

There is no change in the issued, subscribed and paid up share capital of the Applicant Company subsequent to 31 March 2022. The equity shares of the Applicant Company are currently listed on the BSE Limited and National Stock Exchange of India Limited.

- e) The objects for which the Applicant Company has been established are set out in its Memorandum of Association. They are briefly as under:

1. *"To carry on, in India or elsewhere in the world, any one or more or all of the businesses following: The business of manufacturing, importing, exporting, buying, selling, dealing in, distributing, exchanging, converting, altering, processing, twisting, or otherwise handling all kinds of machinery, particularly textile machinery, such as ginning machinery, blow-room machinery, carding engines, drawing frames, inter frames, roving frames, ring frames, mules, reeling machines, bundling and baling machines, winding and warping machines, weaving*

machinery of all kinds, looms of all kinds, bleaching machines, sizing machines, dyeing machines, calendering machines, folding machines, other finishing machines, combing machines, weighing machines of all kinds, rayon and staple fibre manufacturing machines, boilers and all such other machinery necessary in connection with cotton, staple-fibre, silk and synthetic fibre, wool and textile manufacture.

2. *To erect, work and maintain ginning, spinning, weaving, bleaching, dyeing and finishing plants, factories, godowns and buildings necessary for the manufacture of textile fabrics from cotton, silk, staple-fibre, wool and synthetic fibres of all kinds.*
3. *To manufacture and deal in lathes, planing machines, shaping machines, drilling machines, milling machines, boring machines, grinding machines, cutting machines, jigs, jointer, measuring instruments and other workshop machinery and tools of every kind.*
4. *To manufacture and deal in bobbins, spindles, rings, ball-bearings, tapes, cotton rope, cotton banding, willowing machines, bonda opener, thread extractors, wood-screws, fillets, toothed wheels and other tools, accessories and machinery necessary for the manufacture and working of textile and other machinery."*

There are total 27 main object clauses in the Memorandum of Association of the Applicant Company, out of which we have mentioned a few of them above.

f) The object clause of the Applicant Company had been amended in 2021 through e-voting of shareholders pursuant to section 13, 108, 110 of Companies Act, 2013 read with rules 20 and 22 of Companies (Management and Administration) Rules, 2014. The amendments in object clause of Memorandum of Association of First Applicant Company are as under:

- after object clause 21 the following object clause were added:
 22. *To carry on the business in India or abroad for design, development, engineering, production, assembly, import, export of civil, commercial and military space systems such as spacecraft, space launch vehicles, space stations, shuttle services, manned space systems, planetary probes, and their supporting ground systems and services; associated propellant and chemical handling and processing 3 of 8 systems, telecommunications systems and services; design and production of various government and commercial communications, navigation services and environmental sensing and monitoring satellites and their ground supporting systems and services for upstream and downstream activities, including all activities but not limited to manufacture and or assembly of components, sub-assemblies, testing, integration, propellant casting, filling, checkout, mission planning, launch, control and associated actions using various technologies or materials including but not limited to metallic, composite materials, 3-D Printing techniques.*
 23. *To design, develop, engineer, assemble, produce in India or abroad all types of missiles including any parts or components thereof for strategic fleet missiles, ballistic and defensive missiles, missile warning systems for defence with attendant composites systems.*
 24. *To carry on the business in India or abroad for design, engineering, integration, production and checkout of fighter aircraft of all generations, aircraft, bombers, special mission, airlift, antisubmarine warfare, reconnaissance, surveillance and high-performance aircraft; helicopters with night enablement for defence use and passenger and cargo systems for civilian use; unmanned aerial systems, swarm systems for military operations and civil applications, aircraft controls and subsystems; thrust reversers; and aircraft modification, repairs, maintenance and logistics support for military and civilian customers including design and manufacture of aerospace related detailed parts made of metallic, composite and hybrid sources, related avionics and ground control systems including radars, communication systems for military including naval systems and civil applications.*

25. To design, manufacture, assemble engines/components of engines in India or abroad for use in spacecraft, missiles, fixed and rotary wing aeronautic systems, propulsion systems and other aerospace products of all types including but not limited to fuel-efficient green engines, electric engines, nacelles and mounting systems.
26. To design, develop, engineer, assemble and produce in India or abroad both hardware and software for use in high-performance electronic systems for undersea, shipboard, land-based, airborne and space-based applications, including system integration capabilities for both fixed wing and rotary wing aircraft; and major lines of electronics subsystems such as aircraft control systems; electronic warfare; electro-optic and night vision; radar; display; and computers for the military and commercial aerospace market including commercial, civil, and for use in adjacent lines of business like telecommunications; commercial satellite; electronics; automation systems; transportation; and electronics fabrication including the business of designing, developing, integrating, and operating large, complex information systems, engineering, technical and management services.
27. To carry on the business of manufacture/ assemble/ deal/ supply/ export/ import/design of engineering products or material including but not limited to composites that are required for Aerospace, Defence, Aviation, Missile, Rockets, Satellite and other industries, in India or elsewhere in the world.

LMW Aerospace Industries Limited ('The Transferee Company')

- a) The Transferee Company was incorporated under the Companies Act, 2013, in the State of Tamil Nadu in the name of LMW Aerospace Industries Limited on 16th March 2021. Till the date of despatch of this notice, there has been no change in the name of the Applicant Company. The Corporate Identification Number of the Transferee Company is U29299TZ2021PLC035813. Permanent Account Number of the Transferee Company is AAEC5547J.
- b) The Registered Office of the Transferee Company is situated at SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore, Tamil Nadu - 641 020. There has been no change in the registered office of the Transferee Company in the last 5 years.
- c) The email ID of the Transferee Company is regd.off@lmw.co.in.
- d) The details of the issued, subscribed and paid-up share capital of the Transferee Company as on 31 March 2022 are as under:

Particulars	Amount (in Rs.)
Authorised Capital	
25,00,000 Equity Shares of Rs. 10/- each	2,50,00,000
TOTAL	2,50,00,000
Issued, Subscribed and Paid-up Capital	
25,00,000 Equity Shares of Rs. 10/- each fully paid up	2,50,00,000
TOTAL	2,50,00,000

There has been no change in the issued, subscribed and paid up share capital of the Transferee Company subsequent to 31 March 2022. The equity shares of the Transferee Company are not listed on any of the stock exchanges.

- e) The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main objects of the Transferee Company are set out hereunder:
1. "To engage in the business of manufacture, production, supply, sale of machinery, components, materials or equipment for Aerospace sector in India or abroad."

- f) The object clause of the Transferee Company had been amended in 2021 through special resolution of members in the extra ordinary general meeting dated March 29, 2021 pursuant to section 13 of Companies Act, 2013. The amendments in object clause of Memorandum of Association of Transferee Company are as under:

The existing sub-clause 1 of Part (a) of Clause 3 of Memorandum of Association be deleted and the following new sub-clause(s) numbered 1 to 7 be inserted as follows:

1. *To carry on the business in India or abroad for design, development, engineering, production, assembly, import, export of civil, commercial and military space systems such as spacecraft, space launch vehicles, space stations, shuttle services, manned space systems, planetary probes, and their supporting ground systems and services; associated propellant and chemical handling and processing systems, telecommunications systems and services; design and production of various government and commercial communications, navigation services and environmental sensing and monitoring satellites and their ground supporting systems and services for upstream and downstream activities, including all activities but not limited to manufacture and or assembly of components, sub-assemblies, testing, integration, propellant casting, filling, checkout, mission planning, launch, control and associated actions using various technologies or materials including but not limited to metallic, composite materials, 3-D Printing techniques.*
2. *To design, develop, engineer, assemble, produce in India or abroad all types of missiles including any parts or components thereof for strategic fleet missiles, ballistic and defensive missiles, missile warning systems for defence with attendant composites systems.*
3. *To carry on the business in India or abroad for design, engineering, integration, production and checkout of fighter aircraft of all generations, Transport aircraft, bombers, special mission, airlift, antisubmarine warfare, reconnaissance, surveillance and high-performance aircraft; helicopters with night enablement for defence use and passenger and cargo systems for civilian use; unmanned aerial systems, swarm systems for military operations and civil applications, Anti drone Systems, aircraft controls and subsystems; thrust reversers; and aircraft modification, repairs, maintenance and logistics support for military and civilian customers including design and manufacture of aerospace related detailed parts made of metallic, composite and hybrid sources, related avionics and ground control systems including radars, communication systems for military including naval systems and civil applications.*
4. *To design, manufacture, assemble engines/components of engines in India or abroad for use in spacecraft, missiles, fixed and rotary wing aeronautic systems, propulsion systems and other aerospace products of all types including but not limited to fuel-efficient green engines, electric engines, their nacelles and mounting systems.*
5. *To design, develop, engineer, assemble and produce in India or abroad both hardware and software for use in high-performance electronic systems for undersea, shipboard, land-based, airborne and space-based applications, including system integration capabilities for both fixed wing and rotary wing aircraft; and major lines of electronics subsystems such as aircraft control systems; electronic warfare; electro-optic and night vision; radar; display; and computers for the military and commercial aerospace market including commercial, civil, and for use in adjacent lines of business like telecommunications; commercial satellite; electronics; automation systems; transportation; and electronics fabrication including the business of*

designing, developing, integrating, and operating large, complex information systems, engineering, technical and management services.

6. *To carry on the business of manufacture/ assemble/ deal/ supply/ export/ import/design of engineering products or material including but not limited to composites that are required for Aerospace, Defence, Aviation, Missile, Rockets, Satellite and other industries, in India or elsewhere in the world.*

8. **BACKGROUND OF THE SCHEME**

The Scheme *inter-alia* provides for the following:

- (i) Transfer of the ATC business undertaking (as defined in the Scheme) of the Applicant Company to the Transferee Company by way of slump sale on a going concern basis;
- (ii) The Applicant Company and the Transferee Company agree that the total lump sum consideration payable by the Transferee Company to the Applicant Company for the purchase of ATC business undertaking shall be the Purchase Consideration. The Purchase Consideration shall mean INR 90,88,00,000 (INR Ninety Crore Eighty Eight Lakhs Only) as adjusted by the increase/(decrease) in the Net Asset Value of the ATC business undertaking from the Valuation Date till the Appointed Date (**'Purchase Consideration'**).
- (iii) The Purchase Consideration shall be discharged by the Transferee Company by issue and allotment of Compulsorily Convertible Debentures ("CCDs") on the terms and conditions as set out in "**Annexure B**" to the Scheme.

9. **RATIONALE OF THE SCHEME**

- a) Presently, the business verticals of Applicant Company viz. Textile Machinery Division, Machine Tool Division, Foundry Division and Advanced Technology Centre ("ATC") are operated by the Applicant Company under a single entity.
- b) The ATC business undertaking of the Applicant Company has different capital, operating and regulatory requirements from the rest of the business verticals. Further, the Applicant Company is also desirous of scaling up the business operations within Aerospace industry.
- c) The Transferee Company is a Wholly Owned Subsidiary of the Applicant Company and the Applicant Company believes that it would be beneficial to restructure its business by divesting the ATC business undertaking into a separate legal entity with sharper and dedicated focus on the aerospace business so as to achieve greater operational efficiencies and cost optimization.

10. **SALIENT FEATURES OF THE SCHEME**

Salient features of the scheme are set out as below:

- (i). The Scheme is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013, as may be applicable, for the arrangement between the Applicant Company and the Transferee Company;
- (ii). The Applicant Company and the Transferee Company shall make application(s) and/or petition(s) under Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the jurisdictional NCLT, as the case may be for sanction of this Scheme and all matters ancillary or incidental thereto;
- (iii). 'Appointed Date' means 1 April 2022.

- (iv). 'Effective Date' means the later of the dates on which the certified copy of the order of NCLT sanctioning this Scheme of Arrangement, is filed by the Applicant Company and the Transferee Company with the Registrar of Companies, Coimbatore.
- (v). Consideration to be discharged pursuant to the Scheme:
- The Applicant Company and the Transferee Company agree that the total lump sum consideration payable by the Transferee Company to the Transferor Company for the purchase of ATC business undertaking shall be the Purchase Consideration. The Purchase Consideration shall mean INR 90,88,00,000 (INR Ninety Crore Eighty Eight Lakhs Only) as adjusted by the increase/(decrease) in the Net Asset Value of the ATC business undertaking from the Valuation Date till the Appointed Date ("Purchase Consideration").
 - The Purchase Consideration shall be discharged by the Transferee Company by issue and allotment of Compulsorily Convertible Debentures ("CCDs") on the terms and conditions as set out in "Annexure B" to this Scheme.
- (vi). On the Scheme becoming effective, with effect from the Appointed Date, the Applicant Company and Transferee Company shall account for transfer of the ATC business undertaking to the Transferee Company as per the provisions of IND-AS 103.
- (vii). With effect from the Appointed Date and upto and including the Effective Date the Applicant Company shall (i) carry on and be deemed to have carried on its businesses and activities; and (ii) be deemed to have held and stood possessed of and shall hold and stand possessed of its entire businesses and undertakings, including assets for and on account of and in trust for the Transferee Company.
- (viii). All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Applicant Company and Transferee Company respectively.
- (ix). This Scheme is and shall be conditional upon and subject to:
- a) Obtaining no-objection letter from the Stock Exchanges by the Transferor Company in respect to the Scheme, pursuant to Regulation 37 of the SEBI (LODR) read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 as amended from time to time and master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated 23 November 2021, each issued by SEBI under applicable regulations;
 - b) This Scheme being approved by the respective requisite majorities of the classes of members and creditors (where applicable) of the Companies as required under the Act;
 - c) The certified copies of the order of the NCLT approving the Scheme being filed with the jurisdictional Registrar of Companies;
 - d) Such approval and sanctions of any Governmental Authority including as may be required under the Act and as may be directed by NCLT in respect of the Scheme being obtained;

The features set out above are only the salient features of the Scheme. The Scheme shall be treated as a part and parcel of this Explanatory Statement. The unsecured creditors are requested to read the entire text of the Scheme to get themselves fully acquainted with the provisions thereof.

11. **RELATIONSHIP BETWEEN THE APPLICANT COMPANY AND THE TRANSFEREE COMPANY**

The Applicant Company holds 100% of the issued, subscribed and paid-up equity share capital of the Transferee Company i.e. LMW Aerospace Industries Limited.

12. APPROVALS

- i. Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") seeking their no-objection to the Scheme. The Applicant Company had received the observation letters from BSE and NSE dated 28 October 2021 conveying their no-objection to the Scheme (**'Observation Letters'**). Copies of the aforesaid Observation Letters are enclosed herewith.
- ii. The Scheme along with related documents was hosted on the website of the Company, BSE and NSE and was open for complaints/comments. The Company did receive 1 complaint/comment which was duly addressed. Post which a Nil Complaint report was filed with both, BSE and NSE.

13. CAPITAL STRUCTURE PRE AND POST SCHEME

Pre-Scheme and Post-Scheme capital structure of the companies involved in the Scheme is given below:

Applicant Company:

- i. The pre-Scheme capital structure of Applicant Company is mentioned in paragraph 7(c) above.
- ii. There will be no change in the capital structure of the Applicant Company post the Scheme.

Transferee Company:

- i. The pre-Scheme capital structure of the Transferee Company is mentioned in paragraph 7(c) above.
- ii. There will be no change in the capital structure of the Transferee Company post the Scheme.

14. PRE AND POST SCHEME SHAREHOLDING PATTERN

The pre and post Scheme shareholding pattern of the Transferee Company as on 30 June 2022 is as follows:

Particulars		Pre-Scheme		Post-Scheme	
Sl. No.	Description	No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group holding shares of the Company				
1	Bodies Corporate Names				
	Lakshmi Machine Works Limited	25,00,000	100%	25,00,000	100%

The pre and post Scheme shareholding pattern of the Applicant Company as on 30 June 2022 is as follows:

Particulars		Pre-Scheme		Post-Scheme	
Sl. No	Category of Shareholder	Total number of Equity Shares held	%	Total number of Equity Shares held	%
(1)	Promoter				
(a)	Individuals/ Hindu Undivided Family				
	Sanjay Jayavarthanelu	1,42,291	1.33	1,42,291	1.33
	J Rajyalakshmi	97,980	0.92	97,980	0.92
	Others	62155	0.58	62155	0.58

SI. No	Particulars Category of Shareholder	Pre-Scheme		Post-Scheme	
		Total number of Equity Shares held	%	Total number of Equity Shares held	%
(b)	Bodies Corporate				
	Lakshmi Cargo Company Limited	10,76,368	10.08	10,76,368	10.08
	Lakshmi Technology and Engineering Industries Limited	6,96,862	6.52	6,96,862	6.52
	Others	12,50,070	11.7	12,50,070	11.7
	Sub-Total (1)	33,25,726	31.13	33,25,726	31.13
(2)	Public				
(a)	Institutions				
	Foreign Portfolio Investors	4,57,768	4.29	4,57,768	4.29
	Life Insurance Corporation of India	5,50,436	5.15	5,50,436	5.15
	The New India Assurance Company Limited	3,48,881	3.27	3,48,881	3.27
	Others	3,70,909	3.47	3,70,909	3.47
(b)	Non-Institutions	56,29,280	52.69	56,29,280	52.69
	Sub-Total (2)	73,57,274	68.87	73,57,274	68.87
	TOTAL	1,06,83,000	100	1,06,83,000	100

15. **EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

i. Save as otherwise provided in the Scheme, the Directors and Key Managerial Personnel (KMP) and their respective relatives may be deemed to be interested or concerned and/or interested in the Scheme only to the extent of their shareholding in their respective Companies, or to the extent the said Directors/KMP are the partners, Directors, Members of the Companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the Companies. Save as aforesaid, none of the Directors, Managing Director or the Manager or KMP of the Transferee Company and the Applicant Company have any material interest in the Scheme.

ii. The details of the present Directors and KMP of the Applicant Company and their respective shareholdings in the Applicant Company and the Transferee Company as on 30 June 2022 are as follows:

Name of Directors / KMP	Designation	Equity Shares held in the Applicant Company	Equity Shares held in the Transferee Company
Mr. Sanjay Jayavarthanavelu	Chairman and Managing Director	1,42,291 Equity Shares	1 Equity Share as Nominee of the Applicant Company
Mr. S Pathy	Director	1,721 Equity Shares	Nil
Mr. Aditya Himatsingka	Director	Nil	Nil
Dr. Mukund Govind Rajan	Director	Nil	Nil
Mr. Arun Alagappan	Director	Nil	Nil
Mr. T C Suseel Kumar	Nominee Director	Nil	Nil
Justice. Mrs. Chitra Venkataraman (Retd.)	Director	Nil	Nil
Mr. K Soundhar Rajhan	Director -	110 Equity Shares	1 Equity Share as Nominee

Name of Directors / KMP	Designation	Equity Shares held in the Applicant Company	Equity Shares held in the Transferee Company
	Operations		of the Applicant Company
Mr Aroon Raman	Director	Nil	Nil
Mr Jaidev Jayavarthanavelu	Director	460 Equity Shares	1 Equity Share as Nominee of the Applicant Company
Mr. V Senthil	Chief Financial Officer	Nil	Nil
Mr. C R Shivkumaran	Company Secretary	1 Equity Share	Nil

- iii. The details of the present Directors and KMP of the Transferee Company and their respective shareholdings in the Applicant Company and the Transferee Company as on 30 June 2022 are as follows:

Name of Directors / KMP	Designation	Equity Shares held in the Transferee Company	Equity Shares held in the Applicant Company
Mrs. B Dhanalakshmi	Director	Nil	1 Equity Share
Mr. K Soundhar Rajhan	Director	1 Equity Share as Nominee of the Applicant Company	110 Equity Shares
Mr. V Senthil	Director	Nil	Nil

16. DETAILS OF DEBT RESTRUCTURING

There shall be no debt restructuring of the Applicant Company and the Transferee Company pursuant to the Scheme.

17. GENERAL

- i. The Applicant Company and the Transferee Company have made a joint application before the National Company Law Tribunal, Chennai Bench for the sanction of the Scheme under Sections 230-232 and other applicable provisions of the Companies Act, 2013.
- ii. The amount due from the Applicant Company to its secured creditors as on 31 March 2022 is Nil.
- iii. The amount due from the Applicant Company to its unsecured creditors as on 31 March 2022 is INR 11,96,60,53,520/- (Indian Rupees One Thousand One Hundred and Ninety Six Crores Sixty Lakhs Fifty Three Thousand Five Hundred and Twenty only).
- iv. The amount due from the Transferee Company to its secured and unsecured creditors as on 31 March 2022 is Nil.
- v. The Scheme is not expected to have any adverse effects on the KMP, directors, promoters, non-promoter members, depositors, secured / unsecured creditors, debenture holders, deposit trustee, debenture trustee, and employees of the Applicant Company and the Transferee Company wherever relevant.
- vi. None of Directors and KMP of the Applicant Company and the Transferee Company or their respective relatives are in any way connected or interested in the aforesaid resolution except to the extent of their shareholding in respective Companies.
- vii. There are no winding up proceedings pending against the Applicant Company and the Transferee Company as of date.

- viii. No investigation proceedings are pending under the provisions of Companies Act 2013 / 1956 in respect of the Applicant Company and the Transferee Company.
- ix. A copy of the Scheme has been filed with Registrar of Companies, Coimbatore by the Applicant Company as on 21 July 2022.
- x. The Applicant Company and the Transferee Company are required to send individual notice(s) to certain regulatory and governmental authorities including Ministry of Corporate Affairs, the Registrar of Companies, Regional Director, Income Tax, SEBI (only in case of the Applicant Company), BSE Limited (only in case of the Applicant Company) and National Stock Exchange of India Limited (only in case of the Applicant Company) and the same are being sent.
- xi. Names and addresses of the Directors and Promoters of the Applicant Company are as under:

Details of Directors:

Name of Director	Address
Mr. Sanjay Jayavarthanavelu	Shell House, 695, Avanashi Road, Coimbatore – 641037
Mr. S Pathy	Rasakondalu, Circuit House Road, Coimbatore – 641018
Mr. Aditya Himatsingka	129, 10 th Main Road, 6 th Cross, RMV Extension, Bangalore – 560080
Dr. Mukund Govind Rajan	Hill Park Building 2, Flat 22, 3 rd Floor, Dr A G Bell Road, Malabar Hill, Mumbai – 400006
Mr. Arun Alagappan	No. 10, Chittaranjan Road, Teynampet, Chennai – 600018
Mr. T C Suseel Kumar	B-6, Jeevan Jyot, Setalvad Lane, Napean Sea Road, Cumbala Hill, Mumbai - 400026.
Justice Ms Chitra Venkataraman (Retd.)	New No. 31, Old No 17-B, 4 th Main Road, R A Puram, Chennai – 600028
Mr. K Soundhar Rajhan	No 12 North End Road, Krishnaswamy Nagar, Ramanathapuram, Coimbatore – 641045
Mr Aroon Raman	403, Olympus 1, Prestige Acropolis, Hosur Road, Koramangala, Bangalore – 560 029
Mr Jaidev Jayavarthanavelu	Shell House, 695, Avanashi Road, Coimbatore – 641037

Details of Promoters:

Name of Promoter	Address
Mrs Uttara R	89/190, Venkatasamy Road, R.S.Puram, Coimbatore - 641002.
Mr S Pathy	Rasakondalu, Circuit House Road, Coimbatore - 641018.
Mrs Nethra J S Kumar	Theerth, 16/1, GKD Nagar, Pappanaickenpalayam, Coimbatore - 641037.
Dr Mrs Lalithadevi Sanjay Jayavarthanavelu	Shell House, 695, Avanashi Road, Coimbatore – 641037
Mrs J Rajyalakshmi	Pranaam, No.26, Circuit House Road, Coimbatore - 641018.

Name of Promoter	Address
Mr Ravi Sam	89/190, Venkatasamy Road, R.S.Puram, Coimbatore - 641002.
Mr Arjun Karivardhan	28 Kamaraj Road, Opposite to Circuit House, Coimbatore - 641018
Mr. Nithin Karivardhan	28 Kamaraj Road, Opposite to Circuit House, Coimbatore - 641018
Mrs. S Sunitha	"Prathishta", 241, Race Course, Coimbatore - 641018
Mr Sanjay Jayavarthanavelu	Shell House, 695, Avanashi Road, Coimbatore – 641037
Mr D. Senthilkumar	Theerth, 16/1, GKD Nagar, Pappanaickenpalayam, Coimbatore – 641037
Mr Jaidev Jayavarthanavelu	Shell House, 695, Avanashi Road, Coimbatore – 641037
Ms Shivali Jayavarthanavelu	Shell House, 695, Avanashi Road, Coimbatore – 641037
M/s Eshaan Enterprises Limited	38-39, Kamaraj Road, Coimbatore – 641018
M/s Lakshmi Precision Tools Limited	504, Avinashi Road, Peelamedu Post, Coimbatore – 641004
M/s Lakshmi Ring Travellers (CBE) Limited	114-A, Senthottam, Sowripalayam, Coimbatore – 641028
M/s Lakshmi Electrical Control Systems Limited	504, Avinashi Road, Peelamedu Post, Coimbatore - 641004
M/s Lakshmi Cargo Company Limited	Unit 5, 3rd Floor, Raja Annamalai Building, 72, Rukmani Lakshmipathy Road, Egmore, Chennai-600008
M/s Lakshmi Technology And Engineering Industries Limited	34-A, Kamaraj Road, Coimbatore – 641018
M/s Lakshmi Electrical Drives Limited	504, Avinashi Road, Peelamedu Post, Coimbatore – 641004
M/s The Lakshmi Mills Company Limited	Old No 1100 New No 686, Avanashi Road, Pappanaickenpalayam, Coimbatore- 641037
M/s Super Sales India Limited	34-A, Kamaraj Road, Coimbatore - 641018

xii. Names and addresses of the Directors and Promoters of the Transferee Company are as under:

Details of Directors:

Name of Director	Address
Ms.B Dhanalakshmi	No.58/1, Tank Street, Velappanaickenpudur, Saravanampatti, Coimbatore - 641035.
Mr. K Soundhar Rajhan	No 12 North End Road, Krishnaswamy Nagar, Ramanathapuram, Coimbatore – 641045
Mr. V Senthil	No.124, Co-Operative Colony, Uppilipalayam, Coimbatore - 641015.

Details of Promoters:

Name of Promoter	Address
M/s Lakshmi Machine Works Limited	SRKV Post, Perianaickenpalayam, Coimbatore - 641020
Mr Sanjay Jayavarthanavelu	Shell House, 695, Avanashi Road, Coimbatore – 641037
Dr Ms Lalithadevi Sanjay Jayavarthanavelu	Shell House, 695, Avanashi Road, Coimbatore – 641037
Ms Shivali Jayavarthanavelu	Shell House, 695, Avanashi Road, Coimbatore – 641037
Mr Jaidev Jayavarthanavelu	Shell House, 695, Avanashi Road, Coimbatore – 641037
Mr K Soundhar Rajhan	No 12 North End Road, Krishnaswamy Nagar, Ramanathapuram, Coimbatore – 641045
Mr R Rajendran	23/159, Angalamman Kovil Thottam, Palaya Pudur, SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore - 641020

- xiii. The Board of Directors of the Applicant Company approved the Scheme at its meeting held on 24 May 2021. Details of directors of the Applicant Company who voted in favour/ against/ did not participate in the meeting of the Board of Directors are given below:

Name of Director	Voted in favor / against / did not vote or participate
Mr. Sanjay Jayavarthanavelu	Voted in Favour
Mr. S Pathy	Voted in Favour
Mr. Aditya Himatsingka	Voted in Favour
Dr. Mukund Govind Rajan	Voted in Favour
Mr. Arun Alagappan	Voted in Favour
Mr. T C Suseelkumar	Voted in Favour
Justice. Ms. Chitra Venkataraman (Retd.)	Voted in Favour
Mr. K Soundhar Rajhan	Voted in Favour

- xiv. The Board of Directors of the Transferee Company approved the Scheme at its meeting held on 24 May, 2021. Details of directors of the Transferee Company who voted in favour/ against/ did not participate in the meeting of the Board of Directors are given below:

Name of Director	Voted in favor / against / did not vote or participate
Ms.B Dhanalakshmi	Voted in Favour
Mr. K Soundhar Rajhan	Voted in Favour
Mr. V Senthil	Voted in Favour

- xv. Report dated 24 May 2021 adopted by the Board of Directors of the Applicant Company and Transferee Company explaining the effects of the Scheme on each class of its respective shareholders, creditors, key managerial persons, promoter and non- promoter shareholder, laying out in particular the share exchange ratio, as required under Section 232(2) of the Companies Act, 2013 is attached herewith.
- xvi. Audited financial results / financial statements of the Applicant Company and the Transferee Company for the period ended/ as on 31 March 2022 are attached herewith.
- xvii. Inspection of the following documents may be carried out by the unsecured creditors of the Applicant Company at the registered office of the Applicant Company on any working day (except Saturdays) prior to the date of the e-Meeting between 10.00 a.m. to 4.00 p.m.:
- Copy of the Order dated 13 July 2022 passed by the NCLT in the Company Scheme Application

- No. 19 of 2022 directing the convening of the meeting of the equity shareholders and unsecured creditors of the Applicant Company;
- b. Copy of Scheme of Arrangement between Lakshmi Machine Works Limited ('Transferor Company') and LMW Aerospace Industries Limited ('Transferee Company') and their respective shareholders;
 - c. Copy of Memorandum and Articles of Association of the Applicant Company and the Transferee Company;
 - d. Copy of the Audited Financial Statements of the Applicant Company and transferee Company for financial year ended on 31 March 2022;
 - e. Copies of the resolutions passed by the Board of Directors of the Applicant Company and the Transferee Company approving the Scheme;
 - f. Report adopted by the Board of Directors of the Applicant Company and the Transferee Company pursuant to provisions of section 232(2)(c) of the Companies Act, 2013;
 - g. Copy of the Certificate dated 24 May 2021 issued by Statutory Auditors, S Krishnamoorthy & Co. of the Applicant Company stating that the accounting treatment proposed in the Scheme is in conformity with accounting standards prescribed under Section 133 of the Companies Act, 2013;
 - h. Copy of the Certificate dated 24 May 2021 issued by Statutory Auditors, S Krishnamoorthy & Co. of the Transferee Company stating that the accounting treatment proposed in the Scheme is in conformity with accounting standards prescribed under Section 133 of the Companies Act, 2013;
 - i. Valuation report issued by Mr. Pawan Shivkumar Poddar dated 24 May 2021;
 - j. Observation Letters received from BSE Limited and National Stock Exchange of India Limited dated 28 October 2021 issued to the Applicant Company;
 - k. Complaints report dated 2 September 2021 and 22 October 2021 filed with the National Stock Exchange of India Limited and BSE Limited respectively by the Applicant Company;
 - l. Audit Committee Report dated 24 May 2021 of the Audit Committee of the Applicant Company recommending the Scheme of Arrangement; and
 - m. All other documents displayed on the website of the Applicant Company at www.lmwglobal.com terms of the SEBI Circular dated 10 March 2017
- xviii. This Statement may be treated as the Explanatory statement under Section 230(3) and sections 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. A copy of the Scheme and the Explanatory Statement may be obtained free of charge on any working day (except Saturdays) prior to the date of the e-Meeting, from the registered office of the Applicant Company or at the office of its Advocate, M/s Pawan Jhabakh, New No. 115, Luz Church Road, Mylapore, Chennai - 600004.

Sd/-

K Soundhar Rajhan

Chairman appointed for the e-Meeting

Coimbatore

29 July 2022

Registered Office: SRK Vidyalaya Post,

Perianaickenpalayam, Coimbatore,

Tamil Nadu - 641 020.

Annexure – 3

SCHEME OF ARRANGEMENT**BETWEEN**

**LAKSHMI MACHINE WORKS LIMITED
(TRANSFEROR COMPANY)**

AND

**LMW AEROSPACE INDUSTRIES LIMITED
(TRANSFeree COMPANY)**

AND

**THEIR RESPECTIVE SHAREHOLDERS
(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013)**

I. PREAMBLE

The Scheme (as defined hereinafter) is presented pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, for the transfer of the Advanced Technology Centre (“ATC”) business undertaking (as defined hereinafter) of the Transferor Company (as defined hereinafter) and vesting of the same with the Transferee Company (as defined hereinafter), on a going concern by way of a slump sale.

Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

II. DESCRIPTION OF THE COMPANIES WHO ARE PARTIES TO THE SCHEME OF ARRANGEMENT**a) Lakshmi Machine Works Limited (“LMW”) or Transferor Company**

1. Lakshmi Machine Works Limited (“LMW” or “Transferor Company”) is a public limited company incorporated under the provisions of Companies Act, 1956 and having its registered office at SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore, Tamil Nadu - 641 020.

2. The corporate office of the Transferor Company is situated at 34-A, Kamaraj Road, Coimbatore, Tamil Nadu – 641 018
3. The equity shares of the Transferor Company are listed on the BSE Limited and the National Stock Exchange of India Limited (together the “Stock Exchanges”).
4. The Transferor Company operates in the business verticals of Textile Machinery Division, Machine Tool Division, Foundry Division and Advanced Technology Centre.

b) LMW Aerospace Industries Limited (“Transferee Company”)

1. LMW Aerospace Industries Limited (“LAS” or “Transferee Company”) is a public limited company incorporated under the provisions of Companies Act, 2013 and having its registered office at SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore, Tamil Nadu - 641 020.
2. The corporate Office of the Transferee Company is situated at 34-A, Kamaraj Road, Coimbatore, Tamil Nadu – 641 018.
3. The transferee Company is an unlisted Public Limited Company and is wholly owned subsidiary Company of the Transferor Company.
4. The transferee Company is yet to commence operations in the intended Aerospace business vertical.

III. RATIONALE AND BENEFITS OF THE SCHEME

1. Presently, the business verticals of Transferor Company viz. Textile Machinery Division, Machine Tool Division, Foundry Division and Advanced Technology Centre (“ATC”) are operated by the Transferor Company under a single entity.
2. The ATC business undertaking of the Transferor Company has different capital, operating and regulatory requirements from the rest of the business verticals. Further, the Transferor Company is also desirous of scaling up the business operations within Aerospace industry.

3. The Transferee Company is a wholly owned subsidiary of the Transferor Company and the Transferor Company believes that it would be beneficial to restructure its business by divesting the ATC business undertaking into a separate legal entity with sharper and dedicated focus on the aerospace business so as to achieve greater operational efficiencies and cost optimization.

IV. **PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

- PART A** - Definitions and Share Capital;
- PART B** - Transfer of the ATC business undertaking of the Transferor Company to the Transferee Company; and
- PART C** - General Terms and Conditions.

PART A

1. **DEFINITIONS**

In the Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

- 1.1. "**Act**" means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for the time being in force;
- 1.2. "**Applicable Law(s)**" means any statute, law, ordinance, rule, regulation, press note, notification, circular, order, writ, injunction, directive, judgment or decree issued by any governmental authority and/or any other authority exercising jurisdiction over the Companies;
- 1.3. "**Appointed Date**" for the purpose of this scheme shall mean 1st of April, 2022 or such other date as may be approved by the NCLT or such other competent authority;
- 1.4. "**Asset(s)**" mean(s) and include(s) all fixed, movable, intangible, financial, non-financial assets and rights of every kind, nature, character and description of whatsoever nature and wheresoever situated and pertaining to the ATC business undertaking as on the Appointed Date;

- 1.5. **"ATC business undertaking"** means the Advanced Technology Centre ("ATC") of the Transferor Company which makes structural, sheet metal, and engine components and sub-assemblies for leading Original Equipment Manufacturers in the aerospace business in India and abroad, and includes:
- 1.5.1. All assets and liabilities pertaining to the ATC business undertaking as on the Appointed Date.
- 1.5.2. Without prejudice to the generality of the provisions of the clause 1.5.1 above, the ATC business undertaking shall include without limitations the following:
- (a) All assets (whether tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) including, without limitation, interests, loans, deposits, advances (including accrued interest), investments, receivables, cash on hand, investment in mutual funds, liquid funds, balance with banks (including bank fixed deposits), equipment, plant and machinery and the related assets and agreements, capital work in progress, unbilled revenue, furniture, fixtures, office equipment, appliances, accessories, vehicles, power connections, utilities and other service connections, all customer contracts, forward cover contracts, hedging contracts, receivables, claims, refunds, earnest moneys paid, rights and benefits under any agreements or security arrangements and funds, contingent rights, rights arising under contracts, and all other rights, title, interests, privileges and benefits of every kind, wherever located (including in the possession of vendors, third parties or elsewhere) and used or held, by Transferor Company in, or otherwise identified for use in, or relating to, the business activities and operations pertaining to the ATC business undertaking of the Transferor Company;
 - (b) All contracts, agreements, leases, memoranda of understanding, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, instruments of whatsoever nature to which Transferor Company is a party, relating to its ATC business undertaking, or otherwise identified to be for the benefit of the same, approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension pertaining to or relatable to the ATC business undertaking of the Transferor Company;

- (c) All other interests or rights (including claims, arbitration awards, etc.) or accumulated experience and performance qualifications, including financial, technical and other qualifications, in or arising out of or relating to the ATC business together with all intellectual properties, labels, brands, trademarks, trade names, service marks, copyrights, designs, logos, goodwill patents including other industrial and intellectual properties used or held for use by Transferor Company in the business, activities and operations pertaining to its ATC business undertaking;
- (d) All permits, registrations, licenses, including regulatory accreditations, relevant insurance policies, consents, approvals, authorizations, quotas, rights, powers, permissions, arrangements, assignments, sanctions, entitlements, allotments, exemptions, incentives, tax benefits, deferrals, subsidies, concessions, grants, claims, liberties, special status, benefits and privileges enjoyed or conferred upon or held or availed of by the Transferor Company in relation to or pertaining to its ATC business undertaking, registrations, advantages, no-objection certificates, certifications, easements, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local (including Municipal), administrative or judicial authority, used or held for use by the Transferor Company in respect of business, activities and operations pertaining to its ATC business undertaking, including but not limited to as specified in **“Annexure A”** to this Scheme;
- (e) All tax credits, including CENVAT credits, refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax (VAT), goods and services tax or any other duty or tax or cess or imposts under any Central or State law, tax deducted at source and exemptions, deductions, benefits and incentives under the Income-tax Act, 1961 in respect of business, activities and operations pertaining to the ATC business undertaking of the Transferor Company; all rights, benefits and other interest, whether held in trust or otherwise, contracts, agreements, powers, engagements, arrangements of all kind, privileges and all other rights including title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, possession, power

or custody of or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, whether in India or abroad, all pertaining to or relatable to the ATC business undertaking of the Transferor Company;

- (f) All such employees including contract employees as are primarily engaged in or in relation to the business activities and operations pertaining to the ATC business undertaking at the respective offices, branches, etc, and any other employees/personnel hired on and after the date hereof who are primarily engaged in or in relation to the business, activities and operations pertaining to the ATC business undertaking of the Transferor Company;
- (g) All liabilities and all debts, guarantees, assurances, commitments, obligations, loans, and undertakings of any kind, nature and description whatsoever and howsoever arising, present or future and including, without limitation, borrowings, working capital facilities, advances from customers, unearned revenues, bills payable, interest, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or un-known, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to or relatable to the ATC business undertaking of the Transferor Company;
- (h) All legal (whether civil, criminal or taxation related) or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Transferor Company or proceedings or investigations to which Transferor Company is party to, that pertain to the ATC business, if so ascertainable, whether pending/ongoing as on the Appointed Date or which may be instituted any time in the future;
- (i) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes, computer software along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, pertaining to the ATC business; and

- (j) Any question that may arise as to whether a specific asset or liability or any other property or employee, including an unallocated asset or liability, pertains or does not pertain to the ATC business undertaking of the Transferor Company or whether it arises out of the activities or operations of the ATC business undertaking of the Transferor Company shall be decided by mutual agreement between the Board of Directors of the Transferor Company and the Transferee Company respectively.
- 1.6. **"Board" or "Boards" or "Board of Directors"** means the board of directors of the respective Companies and shall, unless repugnant to the context, include a committee of directors or any person authorized by the Board or such committee of directors;
- 1.7. **"Board Approval Date"** means the later of the dates on which the Board of the Transferor Company and the Transferee Company respectively approve the Scheme;
- 1.8. **"Companies"** means the Transferor Company and the Transferee Company collectively;
- 1.9. **"Effective Date"** means the last of the dates on which the certified copy of the order of the National Company Law Tribunal sanctioning this Scheme is filed with the Registrar of Companies, Coimbatore by the Companies as per terms of Section 232(3) of the Companies Act, 2013. Any reference in the Scheme to **"upon the Scheme becoming effective"** or **"effectiveness of the Scheme"** shall be a reference to the Effective Date;
- 1.10. **"Liability(ies)"** means all debts, liabilities and obligations of every kind, nature and description, whether accrued or not, known or unknown, absolute or contingent, matured or un-matured, determined or determinable, attributable to and/ or arising out of the activities or operations of the ATC business undertaking, as on the Appointed Date, and includes, without limitation, all such debts, liabilities and obligations of the Transferor Company, pertaining to the ATC business undertaking, which (i) pertain to a period prior to the Appointed Date but may arise after the Appointed Date; and/or (ii) may have arisen prior to the Appointed Date but remain outstanding as on the Appointed Date or which are continuing as on the Appointed Date;

- 1.11. "NCLT" means the bench of the National Company Law Tribunal at Chennai, Tamil Nadu and shall include, if applicable, such other forum or authority as may be vested with the powers of the NCLT under the Act;
- 1.12. "Net Asset Value" means the aggregate book value of Assets minus the aggregate book value of Liabilities;
- 1.13. "Remaining Business" means all the undertakings, businesses, activities and operations of the Transferor Company, but excluding the ATC business undertaking as defined in clause 1.5 above;
- 1.14. "Scheme" means the Scheme of Arrangement in its present form, or with any modification(s), as may be approved or directed by the NCLT;
- 1.15. "SEBI" means Securities and Exchange Board of India;
- 1.16. "SEBI Circular" means, together, the circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time and master circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, each issued by SEBI under applicable regulations ;
- 1.17. "SEBI (LODR)" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 1.18. "Stock Exchanges" means the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE");
- 1.19. "Tax" or "Taxes" or "Taxation" means all forms of taxes (whether direct or indirect) and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Company and the Transferee Company and all penalties, charges, costs and interest relating thereto;
- 1.20. "Transferee Company" means LMW Aerospace Industries Limited, a public limited company incorporated under the provisions of the Companies Act, 2013 and having its registered office situated at SRK Vidyalaya Post,

Perianaickenpalayam, Coimbatore, Tamil Nadu - 641 020;

- 1.21. **"Transferor Company"** means Lakshmi Machine Works Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office situated at SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore, Tamil Nadu - 641 020;
- 1.22. **"Valuation Date"** means 31st December, 2020; and
- 1.23. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.
- 1.24. The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

2. CAPITAL STRUCTURE

2.1. TRANSFEROR COMPANY

- 2.1.1. The authorized, issued, subscribed and fully paid-up share capital of the Transferor Company as on date of approval of the Scheme by the Board is as under:

Share Capital	Amount in Rs.
Authorized share capital	
5,00,00,000 equity shares of Rs. 10 each	50,00,00,000
Total	50,00,00,000
Issued, subscribed and paid-up capital	
1,06,83,000 equity shares of Rs. 10 each, fully paid up	10,68,30,000
Total	10,68,30,000

The shares of the Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited.

2.2. TRANSFEREE COMPANY

2.2.1. The authorized, issue, subscribed and fully paid-up share capital of the Transferee Company as on date of approval of the Scheme by the Board is as under:

Share Capital	Amount in Rs.
Authorized share capital	
25,00,000 equity shares of Rs. 10 each	2,50,00,000
Total	2,50,00,000
Issued, subscribed and paid-up capital	
25,00,000 equity shares of Rs. 10 each, fully paid up	2,50,00,000
Total	2,50,00,000

As on the date of Board Approval to the Scheme, the entire share capital of the Transferee Company is held by the Transferor Company along with its nominees.

PART B

TRANSFER OF THE ATC BUSINESS UNDERTAKING OF THE TRANSFEROR COMPANY TO THE TRANSFEREE COMPANY BY WAY OF SLUMP SALE ON A GOING CONCERN BASIS

3. TRANSFER AND VESTING OF THE ATC BUSINESS UNDERTAKING

3.1. With effect from the Appointed Date of the Scheme and on the Scheme becoming effective, pursuant to the provisions of Sections 230 to 232 and all other provisions of the Act, the ATC business undertaking, as defined in Clause 1.5 shall stand transferred to and vested into the Transferee Company, by way of a slump sale, as a going concern on an “as-is-where-is” basis and on such terms and conditions, or in any other manner, as may be mutually agreed between the Board of Directors of the Transferor Company and the Transferee Company without values being assigned to the individual assets and liabilities, as an inseparable whole, as detailed in clauses 4 and 5 below.

4. TRANSFER OF ASSETS

- 4.1. Upon the Scheme becoming effective and with effect from the Appointed Date, all assets relating to the ATC business undertaking, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this Clause 4.1 shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. The investments, if any held by the ATC business undertaking in dematerialized form will be transferred to the Transferee Company by issuing appropriate delivery instructions to the depository participant with whom the Transferor Company has an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of the Transferor Company and the Transferee Company, being a date after the Effective Date.
- 4.2. Upon the Scheme becoming effective and with effect from the Appointed Date, all movable assets of the Transferor Company relating to the ATC business undertaking, other than those specified in Clause 4.1 above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested in as the property of the Transferee Company. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company and that appropriate entry should be passed in its respective books to record the aforesaid charges. Any document of title pertaining to the assets of the ATC business undertaking shall also be deemed to have been mutated and recorded as titles of the Transferee Company to the same extent and manner as originally held by the Transferor Company to the end and intent that all the ownership, right, title and interest so vesting in the Transferee Company will be such as if the Transferee Company was originally the Transferor Company. The

Transferee Company shall be entitled to the delivery and possession of all documents of title including all related documents of all such movable assets pertaining to the ATC business undertaking.

- 4.3. All intellectual property including registrations, licenses, trademarks, logos, service marks, copyrights, domain names, trade names, and applications relating thereto, goodwill, intangibles, know how, trade secrets or any other property of like nature, pertaining to the ATC business undertaking (specifically excluding such intellectual property rights as may be identified by the Board of the Transferor Company), if any, shall stand vested in the Transferee Company without any further act, instrument or deed.
- 4.4. The work experience, qualifications, capabilities, logistics, turnover record and track record with National & International Companies, Central and State Government / Non-Government agencies / bodies, contracts with clients and with vendors (including technical parameters, past performance, track record, financials, etc.) of the Transferor Company acquired by reason of completion of various projects and works pertaining to the ATC business undertaking and certificates of completion of projects and works pertaining to ATC business undertaking issued by clients of the Transferor Company shall be deemed to be part of and belonging to the Transferee Company and shall for all purposes be regarded as the work experience, qualifications, capabilities, logistics, turnover record and track record (including technical parameters, past performance, track record, financials, etc.) and certificates of completion of the Transferee Company.
- 4.5. Upon the Scheme becoming effective and with effect from the Appointed Date, in relation to Assets, if any, belonging to the ATC business undertaking, which require separate documents for vesting in the Transferee Company, or which the Transferor Company and/ or the Transferee Company otherwise desire to be vested separately, the Transferor Company and the Transferee Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- 4.6. It is hereby clarified that, unless expressly provided for herein, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement in relation to the concerned Assets, in order to give effect to the provisions of this Clause 4.

- 4.7. All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Transferor Company (in relation to its ATC business undertaking) after the Effective Date shall be accepted by the banker(s) of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company or received through electronic transfers. Similarly, the banker(s) of the Transferee Company shall honour all cheques/electronic fund transfer instructions issued by the Transferor Company (in relation to its ATC business undertaking) for payment after the Effective Date.
- 4.8. It is hereby clarified that if any asset (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the ATC business undertaking which the Transferor Company owns, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such asset in trust for the benefit of the Transferee Company, in so far as it is permissible so to do, till such time as the transfer is effected.

5. TRANSFER OF LIABILITIES

- 5.1. Upon the Scheme becoming effective and with effect from the Appointed Date, all Liabilities pertaining to the ATC business undertaking shall stand transferred, or be deemed to have been transferred to the Transferee Company so as to become from the Appointed Date, the liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same.
- 5.2. All Liabilities pertaining to the ATC business undertaking, including those which are incurred or which arise or accrue on or after the Appointed Date but prior to the Effective Date, shall, without any further act, instrument or deed, be transferred to and vested into as the liabilities of the Transferee Company and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company alone shall meet, discharge and satisfy the same.

- 5.3. Any Liabilities pertaining to the ATC business undertaking as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
- 5.4. The transfer and vesting of the ATC business undertaking, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof.

Provided that in so far as the assets comprised in the ATC business undertaking are concerned, the security and charge over such assets relating to any loans or liabilities pertaining to the Remaining Business shall, without any further act or deed, be released from such encumbrance and shall no longer be available as security in relation to such loans or liabilities.

Provided further that in so far as the assets comprised in the Remaining Business are concerned, the security over such assets relating to the loans, borrowings, debts and financial assistance pertaining to the ATC business undertaking shall, without further act, instrument or deed, along with any guarantees, indemnities, or undertakings provided by the Transferor Company in relation to the ATC business undertaking, be released and discharged from the obligations and security relating to the same. With effect from the Appointed Date and upon the Scheme becoming effective, Transferee Company undertakes to meet, discharge and satisfy the loans, borrowings, debts and financial assistance pertaining to the ATC business undertaking transferred to it.

- 5.5. It is hereby clarified that, unless expressly provided for herein, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which any liability has arisen in order to give effect to the provisions of this Clause 5.
- 5.6. The vesting of the ATC business undertaking as aforesaid, shall be free from any lien, encumbrance, security, charge, hypothecation, interest, claim, pledge or mortgage.
- 5.7. The provisions of this Clause 5 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/ or superseded by the foregoing provisions.

6. CONTRACTS, DEEDS ETC.

- 6.1. On the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments (including all leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, all in relation to or in connection with the ATC business undertaking and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect in favour of, by, for or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.
- 6.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the ATC business undertaking of the Transferor Company in the Transferee Company occurs by virtue of the order of the NCLT approving this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, take such actions or enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of, any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in furtherance to this Scheme coming into effect. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above.
- 6.3. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, certificates, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company in relation to the ATC business undertaking shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall

be available to the Transferee Company. The Transferee Company shall obtain relevant approvals from the concerned Governmental Authority, as may be necessary in this behalf.

- 6.4. After this Scheme becomes effective, the Transferee Company shall, in its own right, be entitled to realise all monies, perform obligations and complete and enforce all pending contracts and transactions in respect of the ATC business undertaking.
- 6.5. Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the ATC business undertaking which the Transferor Company owns or to which Transferor Company is a party, cannot be transferred to the Transferee Company for any reason whatsoever, Transferor Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, in so far as it is permissible so to do, till such time as the transfer is effected.

7. CONSIDERATION

- 7.1. The Transferor Company and the Transferee Company agree that the total lump sum consideration payable by the Transferee Company to the Transferor Company for the purchase of ATC business undertaking shall be the Purchase Consideration. The Purchase Consideration shall mean INR 90,88,00,000 (INR Ninety Crore Eighty Eight Lakhs Only) as adjusted by the increase/(decrease) in the Net Asset Value of the ATC business undertaking from the Valuation Date till the Appointed Date (“**Purchase Consideration**”).
- 7.2. The Purchase Consideration shall be discharged by the Transferee Company by issue and allotment of Compulsorily Convertible Debentures (“CCDs”) on the terms and conditions as set out in “**Annexure B**” to this Scheme. Any fractional entitlement arising out of the issue and allotment of the CCDs shall be rounded up to the previous whole integer.
- 7.3. The CCDs to be issued to the Transferor Company shall be subject to the Memorandum and Articles of Association of the Transferee Company.

- 7.4. Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance with the provisions of Sections 42, 62 and 71 of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of CCDs by the Transferee Company to the Transferor Company.
- 7.5. The approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company under Sections 230 to Section 232 of the Act shall be deemed to have the approval under Sections 13, 14, 180 and 186 of the Act and other applicable provisions of the Act and any other consents and approvals required in this regard.

8. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, with effect from the Appointed Date, the Transferor Company shall account for the transfer of the ATC business undertaking to the Transferee Company in its books as given below:

- 8.1. The Assets and Liabilities of the Transferor Company relating to the ATC business undertaking transferred to the Transferee Company shall be derecognized at their carrying amount from the Appointed Date.
- 8.2. The aggregate value of CCDs received as per clause 7.2 above shall be debited to “Investment in CCDs of LMW Aerospace Industries Limited” account.
- 8.3. To the extent that there are inter-company loans, advances, investments, deposits or other obligations as between the Transferor Company (pertaining to the ATC business undertaking) and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Transferor Company for the reduction of any such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, advances, deposits or balances, with effect from the Appointed Date.
- 8.4. Any difference between investment recorded as per clause 8.2 and the net assets transferred as per clause 8.1, after giving effect to the adjustment as per clause 8.3, shall be adjusted in Capital Reserve Account.

- 8.5. The Board may adopt any other accounting treatment which is in accordance with Indian Accounting Standards ('Ind-AS') notified under the Act.

9. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

On the Scheme becoming effective, with effect from the Appointed Date, the Transferee Company shall account for the transfer of the ATC business undertaking of the Transferor Company in its books in accordance with the 'Pooling of Interest Method' laid down by Appendix C - 'Business combinations of entities under common control' of Ind AS - 103 'Business Combinations' notified under the provisions of the Act, as under;

- 9.1. The Transferee Company shall, record all Assets and Liabilities of the ATC business undertaking of the Transferor Company vested in it pursuant to the Scheme, at the respective carrying values thereof and in the same form as appearing in the books of the Transferor Company;
- 9.2. The Transferee Company shall credit to the 'Compulsorily Convertible Debentures' account the aggregate face value of CCDs issued pursuant to clause 7.2 above.
- 9.3. To the extent that there are inter-company loans, advances, investments, deposits or other obligations as between the Transferor Company (pertaining to the ATC business undertaking) and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, advances, deposits or balances, with effect from the Appointed Date.
- 9.4. Difference, if any, of the value of CCDs issued as per clause 9.2 over the aggregate book value of net assets of ATC business undertaking as per clause 9.1 after giving effect to the adjustment as per clause 9.3 shall be adjusted in Capital Reserve account.
- 9.5. The Board may adopt any other accounting treatment which is in accordance with Indian Accounting Standards ('Ind-AS') notified under the Act.

10. EMPLOYEES

- 10.1. All employees of the Transferor Company engaged in or in relation to the ATC business undertaking who are in employment on the date immediately preceding the Effective Date, shall, on and from the Effective Date, become employees of the Transferee Company, without any break or interruption in their service and on the basis of continuity of service without any further act, instrument or deed. Further, the terms and conditions of their employment including Employee Stock Ownership Plan (“ESOP”) granted by the Transferor Company to such employees, if any, with the Transferee Company shall be no less favourable than those on which they were engaged in the Transferor Company.
- 10.2. The Transferee Company agrees that the services of all the employees of the ATC business undertaking prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which such employees may be eligible and accordingly, the period of service of such employees shall be reckoned therefore from the date of their respective appointment in the Transferor Company.
- 10.3. The contributions, and all accretions thereto, in the Government provident fund account, gratuity fund and other benefit funds, if any, of which such employees are members or beneficiaries till the Effective Date, shall, with the approval of the concerned authorities be transferred (in such proportion as is referable to the employees of the ATC business undertaking being transferred to the Transferee Company) to the relevant funds of the Transferee Company for the benefit of the employees of the ATC business undertaking on terms no less favourable. In the event that the Transferee Company has its own funds in respect of any of the funds referred to above, such investments shall, subject to the necessary approvals and permissions, be transferred to the relevant funds. In the event that the Transferee Company does not have its own fund in respect of any of the aforesaid matters, the Transferor Company may, subject to necessary approvals and permissions and recoveries, continue to contribute in respect of the employees engaged in the ATC business undertaking to the existing funds, until such time that the Transferee Company creates its own fund, at which time the investments and contributions pertaining to the employees of the ATC business undertaking shall be transferred to the funds created by the Transferee Company. In case, necessary approvals are not received and there is delay, all such amounts

shall continue to be administered by the Transferor Company in trust for the Transferee Company from the Effective Date till the date of actual transfer and, on receiving the approvals all the accumulated amounts till such date, shall be transferred to the respective funds of the Transferee Company *suo motu*.

- 10.4. Any disciplinary action or termination process initiated by the Transferor Company against any employee of the ATC business undertaking shall have full force, effect and continuity as if it was initiated by the Transferee Company instead of the Transferor Company.
- 10.5. The Board of Directors of the Transferor Company and the Transferee Company may consider and approve policies for inter-company transfers within the Companies of employees in the respective companies on such terms and conditions considered fit and appropriate subject to applicable laws.

11. LEGAL PROCEEDINGS

- 11.1. On and from the Appointed Date, all suits, claims, actions, show cause, inspections, regulatory and legal proceedings instituted and/or arising and/or pending by or against the Transferor Company in relation to the ATC business undertaking shall be continued and/or enforced until the Effective Date and on and from the Effective Date, shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or had arisen and/or were pending by or against the Transferee Company.
- 11.2. On and from the Appointed Date, if any proceedings are taken by or against the Transferor Company in relation to the ATC business undertaking, the Transferor Company shall till the Effective Date continue and/or defend the same at the cost of the Transferee Company, and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- 11.3. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 11.1 above transferred to its name on and after the Effective Date, to have the same continued, prosecuted and enforced by or against the Transferee Company as the

case may be, to the exclusion of the Transferor Company.

- 11.4. Notwithstanding the above, in case the proceedings referred to in Clause 11.1 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Transferor Company shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the Transferee Company shall reimburse, indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- 11.5. Any difference or difficulty as to whether any specific legal or other proceedings relates to the ATC business undertaking, shall be mutually decided between the Board of Directors of the Transferor Company and the Transferee Company and such mutual decision shall be conclusive and binding on the Companies.

12. TAXES

- 12.1. All Taxes paid or payable by the Transferor Company in respect of the operations and / or the profits of the ATC business undertaking on or after the Appointed Date, shall be on account of the Transferee Company and insofar as it relates to the Tax payment, whether by way of deduction at source or otherwise howsoever by the Transferor Company in respect of the profits or activities or operations of its business relating to the ATC business undertaking after the start of business on the Appointed Date, the same shall be deemed to be the corresponding item paid or payable by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 12.2. Any liabilities on account of any Taxes in relation to the ATC business undertaking and pertaining to the period prior to the Appointed Date, including all or any liability/refunds/credits/claims, shall be treated as liability/refund/credit/claims of the Transferor Company.
- 12.3. On the Scheme becoming effective, the Transferor Company and the Transferee Company may revise their respective returns pertaining to income tax, goods and services tax and other tax returns, if required, and claim refunds and/or credits, including credits for tax deducted at source, as applicable pursuant to the provisions of this Scheme.

12.4. The Transferor Company may be entitled to various incentive schemes and pursuant to the Scheme, it is declared that the benefits under all such schemes and policies pertaining to the ATC business undertaking shall stand transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, goods and services tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the ATC business undertaking, to the extent statutorily available, shall be claimed by the Transferee Company.

13. CONDUCT OF BUSINESS

13.1. With effect from the Board Approval Date and till the Effective Date, the Transferor Company hereby undertakes that it shall hold all the properties and assets of the ATC business undertaking with utmost prudence and that it shall carry on the business and activities of the ATC business undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment or alienate charge, mortgage, encumber or otherwise deal with or dispose of any business or part thereof, in relation to the ATC business undertaking.

13.2. With effect from the Appointed Date and till the Effective Date, the Transferor Company shall:

13.2.1. Carry on and shall be deemed to have carried on all its business and operations relating to the ATC business undertaking as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the ATC business undertaking on account of, and for the benefit of, and in trust for, the Transferee Company.

13.2.2. All the profits or incomes accruing or arising and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) in relation to the ATC business undertaking shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or as the case may be, expenditure or losses (including taxes) of the Transferee Company.

13.2.3. Any of the rights, powers, authorities and privileges attached or related or pertaining exercised by or available in relation to the ATC business undertaking shall be deemed to have been exercised for and on behalf of and as an agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, relating or pertaining to the ATC business undertaking that have been undertaken or discharged shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for the Transferee Company.

14. REMAINING BUSINESS

14.1. The Remaining Business of the Transferor Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.

14.2. All legal and other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the ATC business undertaking (including those relating to any property, right, power, liability, obligation or duty of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferee Company.

14.3. With effect from the Appointed Date and including the Effective Date –

14.3.1. The Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf;

14.3.2. All profit accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Remaining Business shall, for all purposes, be treated as the profit, or losses of Transferor Company.

14.4. If proceedings are taken against the Transferee Company in respect of matters referred to in clause 14.3 above relating to the Remaining Business, it shall defend the same in accordance with the advice of the Transferor Company and at the cost of the Transferor Company, and the latter shall reimburse and indemnify the Transferee Company, against all liabilities and obligations incurred by the Transferee Company in respect thereof.

- 14.5. If proceedings are taken against the Transferor Company in respect of matters referred to in clause 14.2 above relating to the ATC business undertaking, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Transferor Company, against all liabilities and obligations incurred by the Transferor Company in respect thereof.

15. SAVING OF CONCLUDED TRANSACTIONS

- 15.1. Subject to the terms of this Scheme, the transfer and vesting of the ATC business undertaking under this Scheme shall not affect any transactions or proceedings already concluded before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company in relation to the ATC business undertaking as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

PART C

GENERAL TERMS AND CONDITIONS

16. APPLICATION TO THE NCLT

- 16.1. Each of the Companies shall severally or jointly make the requisite company applications/ petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the NCLT for seeking sanction to the Scheme.

17. APPROVALS

- 17.1. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority and all regulators, agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and operate the ATC business undertaking to be transferred to them under this Scheme.

18. MODIFICATION OR AMENDMENT TO THE SCHEME

- 18.1. Each of the Companies (acting through their respective Board) may, in their full and absolute discretion, assent to any amendments, alterations or modifications to the Scheme (including Clause 7 relating to the Consideration), in part or in whole, which the NCLT and/ or any other authorities may deem fit to direct, approve or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme, including any individual part thereof, or if the Board are of the view that the coming into effect of the Scheme, in part or in whole, in terms of the provisions of the Scheme, could have an adverse implication on all or any of the Companies. Each of the Companies (acting through their respective Board) be and are hereby authorized to take such steps and do all acts, deeds and things, as may be necessary, desirable or proper to give effect to the Scheme, in part or in whole and to resolve any doubts, difficulties or questions whether by reason of the order of the NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of the Scheme and/ or any matters concerning or connected therewith and may also in their full and absolute discretion, withdraw or abandon the Scheme, or any individual part thereof, at any stage prior to the Effective Date.

19. CONDITIONALITY OF THE SCHEME

The coming into effect of this Scheme is conditional upon and subject to;

- 19.1. Obtaining no-objection letter from the Stock Exchanges by the Transferor Company in respect to the Scheme, pursuant to Regulation 37 of the SEBI (LODR) read with SEBI Circular;
- 19.2. This Scheme being approved by the respective requisite majorities of the classes of members and creditors (where applicable) of the Companies as required under the Act;
- 19.3. The certified copies of the order of the NCLT approving the Scheme being filed with the jurisdictional Registrar of Companies;

- 19.4. Such approval and sanctions of any Governmental Authority including as may be required under the Act and as may be directed by NCLT in respect of the Scheme being obtained;

20. REVOCATION/ WITHDRAWAL OF THE SCHEME

- 20.1. The Transferor Company and/ or the Transferee Company acting through their respective Board shall each be at liberty to withdraw the Scheme.
- 20.2. In the event of revocation under Clause 20.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Companies or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with Applicable Law.
- 20.3. In the event of revocation under Clause 20.1 above, the Companies shall take all necessary steps to withdraw the Scheme from the NCLT and any other authority and to make all necessary filings/ application as may be required to withdraw the Scheme.

21. EFFECT OF NON-RECEIPT OF APPROVALS

- 21.1. In case the Scheme is not sanctioned by the NCLT or is not approved by SEBI or the Stock Exchanges, or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied or for any other reason, if the Scheme cannot be implemented before 31st March, 2023, then, the Scheme shall become null and void, and the Transferor Company shall bear the entire cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

22. COSTS, CHARGES, EXPENSES

- 22.1. All costs, charges, and all expenses of the Transferor Company and the Transferee Company arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne and paid by the Transferor Company and the Transferee Company respectively.

Annexure – A

Sr. no.	Certification / License name	Purpose	Expiration Date
1	AS9100D	QMS - Requirements for Aviation, Space and Defence Organisation	08/08/2023
2	ISO: 14001 : 2015 & 45001: 2018	Aerospace Components	31/12/2021
3	Nadcap	Chemical Processing	31/05/2022
4	Nadcap	Heat Treating	31/05/2021
5	Nadcap	Non Destructive Testing	31/10/2021
6	Nadcap	Welding	30/11/2021
7	Diesel generator Registration certificate	Statutory Requirement	01/03/2023
8	Fire License	Statutory Requirement	10/06/2021
9	TNPCB Consent	Statutory Requirement	30/11/2021
10	TNPCB Hazardous Waste authorization	Statutory Requirement	30/11/2021
11	Factory Running License	Statutory Requirement	31/12/2021

Annexure – B**TERMS AND CONDITIONS FOR ISSUE OF COMPULSORILY CONVERTIBLE
DEBENTURES (CCDs)**

Issuer	LMW Aerospace Industries Limited
Nature of Instrument	Compulsorily Convertible Debentures ('CCDs')
Face Value	INR 1,00,000/- debenture (Rupees One Lakh Only)
Term	10 (Ten) years from the date of allotment which may be extended with the prior written approval of the holders of the CCDs
Coupon Rate	Nil
Conversion	<ul style="list-style-type: none"> ● CCDs shall be convertible into Equity Shares at the option of the Issuer of CCDs anytime during the Term of the CCDs ● Ratio of Conversion of CCDs shall be 10,000:1 i.e. 10,000 equity shares of INR 10/- each of the Issuer shall be allotted for every 1 CCD held
Security	The CCDs shall be unsecured in nature
Amendment	Subject to applicable Law, the rights, privileges and conditions attached to CCDs may be varied, modified or abrogated only with the prior written consent of the holder of CCDs

ACKNOWLEDGEMENT

Annexure - 4

SRN : F16408700

Service Request Date : 21/07/2022

Received From :

Name : M D SELVARAJ
Address : "SURYA", 35 Mayflower Avenue
Sowripalayam Road
COIMBATORE, Tamil Nadu
IN - 641028

Entity on whose behalf money is paid

CIN: L29269TZ1962PLC000463
Name : LAKSHMI MACHINE WORKS LIMITED
Address : PERIANAICKENPALAYAM
SRK VIDYALAYA POST
COIMBATORE, Tamil Nadu
India - 641020

Full Particulars of Remittance**Service Type:** eFiling**Service Description**

Fee For Form GNL-1

Note: The defects or incompleteness in any respect in this eForm as noticed shall be placed on the Ministry's website (www.mca.gov.in). In case the eForm is marked as RSUB or PUCL, please resubmit the eForm or file Form GNL-4(Addendum), respectively. Please track the status of your transaction at all times till it is finally disposed off. (Please refer Rule 10 of the Companies (Registration offices and Fees) Rules, 2014) It is compulsory to file Form GNL-4 (Addendum) electronically within the due date whenever the document is put under PUCL, failing which the system will treat the document as invalid and will not be taken on record in accordance with Rule 10(4) of the Companies (Registration offices and Fees) Rules, 2014

ACKNOWLEDGEMENT

SRN : F16407520

Service Request Date : 21/07/2022

Received From :

Name : M D SELVARAJ
Address : "SURYA", 35 Mayflower Avenue
Sowripalayam Road
COIMBATORE, Tamil Nadu
IN - 641028

Entity on whose behalf money is paid

CIN: U29299TZ2021PLC035813
Name : LMW AEROSPACE INDUSTRIES LIMITED
Address : C/o.Lakshmi Machine Works Ltd,SFNo.516
516/2, SRKV Post, Periyanaickenpalayam
Coimbatore, Tamil Nadu
India - 641020

Full Particulars of Remittance

Service Type: eFiling

Service Description

Fee For Form GNL-1

Note: The defects or incompleteness in any respect in this eForm as noticed shall be placed on the Ministry's website (www.mca.gov.in). In case the eForm is marked as RSUB or PUCL, please resubmit the eForm or file Form GNL-4(Addendum), respectively. Please track the status of your transaction at all times till it is finally disposed off. (Please refer Rule 10 of the Companies (Registration offices and Fees) Rules, 2014) It is compulsory to file Form GNL-4 (Addendum) electronically within the due date whenever the document is put under PUCL, failing which the system will treat the document as invalid and will not be taken on record in accordance with Rule 10(4) of the Companies (Registration offices and Fees) Rules, 2014

PAWAN SHIVKUMAR PODDAR
 REGISTERED VALUER
 Securities and Financial Assets
 Reg No. - IBBI/RV/06/2019/12475

STRICTLY PRIVATE & CONFIDENTIAL

24 May, 2021

The Board of Directors

LAKSHMI MACHINE WORKS LTD
 SRKV Post, Perianaickenpalayam,
 Coimbatore, Tamil Nadu - 641020

The Board of Directors

LMW AEROSPACE INDUSTRIES LIMITED
 SRKV Post, Perianaickenpalayam,
 Coimbatore, Tamil Nadu - 641020

Dear Sir(s)

Re: Net Asset Value (Book Value) of Advanced Technology Centre ("ATC") business undertaking of Lakshmi Machine Works Ltd as at December 31, 2020 for the proposed transfer to LMW Aerospace Industries Limited through a slump sale

We refer to our engagement letter dated April 30, 2021 whereby the management of Lakshmi Machine Works Ltd (hereinafter referred to as 'LMW') has appointed us to issue a report for arriving Net Asset Value (book value) for the proposed transfer of Advanced Technology Centre ("ATC") business undertaking (hereinafter referred to as the 'ATC Business Undertaking') of LMW to LMW Aerospace Industries Limited (hereinafter referred to as 'LMWASIL').

1 SCOPE AND PURPOSE OF THIS REPORT

- 1.1 We have been informed by the management of LMW (hereinafter referred to as the 'Management') that they are considering the proposal of transfer of ATC Business Undertaking of LMW into LMWASIL pursuant to a scheme of arrangement under sections 230 to 232 and other relevant provisions of the Companies Act, 2013, including rules and regulations made there under ('Proposed Transfer'). Subject to necessary approvals, the ATC Business Undertaking of LMW would be transferred from LMW into LMWASIL, with effect from appointed date. The Appointed Date is 1st of April, 2022; or such other date as may be approved by the NCLT or such other competent authority.
- 1.2 Pursuant to the scheme, as a consideration for the proposed transfer, LMWASIL will pay a total lump sum consideration to LMW. The total consideration, as informed by

the management, will be the Net Asset Value of ATC Business Undertaking as at December 31, 2020 and adjusted by the increase/(decrease) in the Net Asset Value of the ATC business undertaking from the Valuation Date till the Appointed Date. "Net Asset Value" means the aggregate book value of Assets minus the aggregate book value of Liabilities as on the Appointed Date. Further, the transfer consideration shall be discharged by LMWASIL by issue and allotment of Compulsorily Convertible Debentures on the terms and conditions as set out in the Scheme.

- 1.3 In this regard, we have been requested to issue a report computing Net Asset Value, (based on the carrying value) of the ATC Business Undertaking. The scope of our service is to compute the Net Assets Value and not the fair value of the ATC Business Undertaking. This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter.

2 BACKGROUND

LAKSHMI MACHINE WORKS LIMITED (LMW)

- 2.1 LMW is a public limited company incorporated under the provisions of Companies Act, 1956 and having its registered office at SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore, Tamil Nadu - 641 020. The corporate office of LMW is situated at 34-A, Kamaraj Road, Coimbatore, Tamil Nadu – 641 018.
- 2.2 LMW operates in the business verticals of Textile Machinery Division, Machine Tool Division, Foundry Division and ATC. LMW intends to transfer one of its business vertical, ATC, to its wholly owned subsidiary. As defined in the Scheme the ATC Business Undertaking means the Advanced Technology Centre of LMW which makes structural, sheet metal, and engine components and sub-assemblies, Metallic and Composites, for leading Original Equipment Manufacturers in the aerospace business in India and abroad.
- 2.3 The equity shares of LMW are listed on the BSE Limited and the National Stock Exchange of India Limited.
- 2.4 The shareholding pattern of LMW as at March 31, 2021 is as under:

Category of Shareholder	No of Equity Share Face value INR 10 each	Percentage
Promoter & Promotor Group	33,23,826	31.11%
Non Promoters	73,59,174	68.89%
TOTAL	1,06,83,000	100.00%

LMW AEROSPACE INDUSTRIES LIMITED (“LMWASIL”)

- 2.5 LMWASIL is a public limited company incorporated under the provisions of Companies Act, 2013 and having its registered office at SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore, Tamil Nadu - 641 020.
- 2.6 LMWASIL is an unlisted Public Limited Company and is wholly owned subsidiary Company of LMW.
- 2.7 LMWASIL is yet to commence operations in the intended Aerospace business vertical.
- 2.8 The shareholding pattern of the LMWASIL as at April 09, 2021 is as under:

Name of Shareholder	No of Equity Share Face value INR 10 each	Percentage
Lakshmi Machine Works Limited*	25,00,000	100.00%
TOTAL	25,00,000	100.00%

* Held directly and through its Nominees

3 SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information received from the Management and information available in the public domain:

- Draft Scheme of Arrangement pursuant to which ATC Business Undertaking of LMW is proposed to be transferred to LMWASIL;
- Shareholding pattern of the LMWASIL as at April 09, 2021 and LMW as at March 31, 2021 respectively;
- Audited Financial Statement of LMW as at March 31, 2020;
- Management Certified Divisional Financial Statement of ATC Business Undertaking of LMW as at December 31, 2020;
- Such other information and explanations as we required and which have been provided by the Management to understand the rationale and basis for transfer

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope. We have also considered/ obtained such other

analysis, review, explanations and information considered reasonably necessary for our exercise, from the Management.

4 SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 4.1 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.
- 4.2 This report has been prepared for the Board of Directors of LMW and LMWASIL solely for the purpose of arriving at the Net Asset Value of ATC Business Undertaking for the proposed transfer.
- 4.3 The Management has been provided with the opportunity to review the draft report as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final report.
- 4.4 For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by LMW/ its auditors / its consultants is that of the LMW. Also, with respect to explanations and information sought from the LMW, we have been given to understand by the Management that they have not omitted any relevant and material facts about LMW/ ATC Business Undertaking. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our conclusions.
- 4.5 Our work does not constitute an audit, due diligence or certification of this information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.
- 4.6 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 LMW/ ATC Business Undertaking / LMWASIL and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Companies / ATC

Business Undertaking. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

- 4.7 The fee for the engagement and this report is not contingent upon the results reported.
- 4.8 This report is prepared only in connection with the Proposed Transfer exclusively for the use of LMW and LMWASIL and for submission to any regulatory / statutory authority as may be required under any law.
- 4.9 Our report is not, nor should it be construed as our opining or certifying the compliance of the Proposed Transfer with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Proposed Transfer.
- 4.10 Any person/party intending to provide finance / divest / invest in the shares / convertible instruments / business of LMW/ ATC Business Undertaking / LMWASIL 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.
- 4.11 The decision to carry out the transaction (including consideration thereof) lies entirely with the Management / the Board of Directors of LMW and LMWASIL and our work and our finding shall not constitute a recommendation as to whether or not the Management / the Board of Directors should carry out the Proposed Transfer at the Net Asset Value computed by us.
- 4.12 Our Report is meant for the purpose mentioned in Para 1 only 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. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 4.13 We nor my partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which this report is being issued. All such parties expressly disclaim any and all liability for or based on or relating to any such information contained in this report.

5 **VALUATION DATE, DATE OF APPOINTMENT AND DATE OF REPORT**

For the purpose of this report, following shall be the key dates:

Valuation Date	31/12/2020	Financial statement of the ATC Business Undertaking as at December 31, 2020 considered for arriving Net Asset Value
Date of Appointment	30/04/2021	Engagement confirmation Date
Date of Report	24/05/2021	Date on which the Report is signed.

6 **VALUATION METHODOLOGY**

The standard valuation approaches and methodologies are as below:

- a) Market Approach
 - i) Market Price Method
 - ii) Comparable Companies Multiple Method
 - iii) Comparable Transaction Multiple Method
- b) Income Approach
 - i) Discounted Cash Flow (DCF) Method
 - ii) Relief from Royalty (RFR) Method
 - iii) Multi – Period Excess Earnings Method (MEEM)
 - iv) With and Without Method (MWM)
- c) Cost Approach
 - i) Replacement Cost Method
 - ii) Reproduction Cost Method

LMW's Management has informed us that the proposed transfer of the ATC Business Undertaking will be done at Net Asset Value (Book Value), and the object of this report is to arrive at the Net Asset Value as of the valuation date, i.e. December 31, 2020, rather than the underlying Business's fair value. As a result, this report is constructed using a Cost Approach - Net Asset Value Approach.

7 **PROCEDURES ADOPTED IN COMPUTATION OF NET ASSET VALUE**

7.1 We have considered the aggregate of the Assets of the Undertaking such as all fixed, movable, intangible, financial, non-financial assets and rights of every kind pertaining to the ATC Business Undertaking recorded in the books of accounts and forming part of the Divisional Financials provided by the Management as on the Valuation Date. The aggregate book value of the Assets of the Undertaking intended for transfer is INR 10,147.29 lakhs as detailed in "Annexure A".

7.2 Further, we have considered the aggregate of the Liabilities of the Undertaking such as all debts, liabilities and obligations of every kind pertaining to the ATC business undertaking recorded in the books of accounts and forming part of the Divisional

Financials provided by the Management as on the Valuation Date. The aggregate book value of the Liabilities of the Undertaking intended for transfer is INR 1,058.65 lakhs as detailed in “Annexure B”.

- 7.3 Net Asset Value of ATC Business Undertaking is computed by reducing the it’s aggregate book value of Liabilities from its aggregate book value of Assets. The Net Asset Value of the Undertaking comes to INR 9,088.64 lakhs as detailed in “Annexure C”
- 7.4 For the reason mentioned above, no relative / fair valuation of ATC Business Undertaking is undertaken by us for the Proposed Transfer. Accordingly, valuation approaches as indicated in the format (as shown below) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

Valuation Methodology	ATC Business			
	Value	Weights	Value	Weights
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative Value	NA			

NA = Not Applied / Not Applicable

8 CONCLUSION

- 8.1 Subject to our scope, limitations as mentioned above, **the Net Asset Value of ATC Business Undertaking of LMW as on December 31, 2020 is INR 9,088.64 lakhs (Ninety Crores Eighty Eight lakhs and Sixty Four Thousand).**

Thank you,

Pawan Shivkumar Poddar
 Digitally signed by Pawan Shivkumar Poddar
 Date: 2021.05.24 00:28:23 +05'30'

CA Pawan Shivkumar Poddar

Registered Valuer – Securities and Financial Assets

Reg. No. IBBI/RV/06/2019/12475

ICAI Membership Number: 113280

UDIN : 21113280AAAAAH5430

Place : Mumbai

Date :24 May, 2021

LAKSHMI MACHINE WORKS LIMITED, ATC Division
Balance Sheet as on 31st December 2020

ANNEXURE - A

Particulars	(INR in Lacs)
ASSETS	
Non-Current Assets	
Property, Plant and Equipment	4,851.58
Capital work-in-progress	198.29
Other Intangible assets	-
Financial Assets	
(i) Investments	
a) Investments in subsidiaries	-
b) Other investments	-
(ii) Trade receivables	-
(iii) Loans	-
(ii) Other financial assets	165.14
Deferred tax assets (net)	
Total Non - Current Assets	5215.01
Current Assets	
Inventories	2,934.89
Financial Assets	
(I) Investments	-
(ii) Trade receivables	1,754.16
(iii) Cash and cash equivalents	-
(iv) Bank balances other than (ii) above	-
(v) Other financial assets	31.26
Current Tax Assets (Net)	-
Other current assets	211.98
Total Current Assets	4932.29
Total Assets	10147.29

LAKSHMI MACHINE WORKS LIMITED, ATC DIVISION
Balance Sheet as on 31st December 2020

ANNEXURE - B

Particulars	(INR in Lacs)
LIABILITIES	
Non-current liabilities	
Deferred tax liabilities (Net)	-
Other non-current liabilities	-
Total Non - Current Liabilities	0.00
Current liabilities	
Financial Liabilities	
(i) Trade payables	822.85
(ii) Other financial liabilities	167.17
Provisions	4.75
Other current liabilities	63.88
Total Current Liabilities	1058.65
Total Liabilities	1058.65

LAKSHMI MACHINE WORKS LIMITED, ATC DIVISION
Balance Sheet as on 31st December 2020

NET ASSET VALUE

ANNEXURE - C

Particulars	(INR in Lacs)
Total Assets of the Undertaking	10,147.29
Less:	
Total Liabilities of the Understating	1,058.65
NET Asset Value (Book Values)	9,088.64

Pawan Shivkumar Poddar
 Digitally signed by Pawan Shivkumar Poddar
 Date: 2021.05.24 00:30:54 +05'30'

DCS/AMAL/PB/R37/2127/2021-22

“E-Letter”

October 28, 2021

The Company Secretary,
Lakshmi Machine Works Limited.
 SRKV Post, Perianaickenpalayam,
 Coimbatore, Tamil Nadu, 641020

Sir,

Sub: Observation letter regarding Draft Scheme of Arrangement between Lakshmi Machine Works Limited and LMW Aerospace Industries Limited and their respective Shareholders.

We are in receipt of the Draft Scheme of Arrangement of Lakshmi Machine Works Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated October 28, 2021 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **“Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges , and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
- **“Company shall duly comply with various provisions of the Circular.”**
- **“Company shall ensure that the scheme submitted with the NCLT for sanction provides for voting by shareholders through e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution.”**
- **“Company shall ensure no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.”**
- **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon’ble NCLT.

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

Prasad Bhide
Manager



National Stock Exchange Of India Limited

Ref: NSE/LIST/27811_II

October 28, 2021

The Company Secretary
Lakshmi Machine Works Limited
SRK Vidyalaya Post,
Perianaickenpalayam,
Coimbatore – 641020.

Kind Attn.: Mr. C. R. Shivkumaran

Dear Sir,

Sub: Observation Letter for draft scheme of arrangement between Lakshmi Machine Works Limited and LMW Aerospace Industries Limited and their respective shareholders

We are in receipt of draft scheme of arrangement between Lakshmi Machine Works Limited (Transferor Company) and LMW Aerospace Industries Limited (Transferee Company) and their respective shareholders vide application dated July 31, 2021.

Based on our letter reference no. NSE/LIST/27811_I submitted to SEBI and pursuant to SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“Circular”), kindly find following comments on the draft scheme:

- a. *Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the Stock Exchanges.*
- b. *Company shall ensure no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.*
- c. *The Company shall duly comply with various provisions of the said Circular.*
- d. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- e. *The listed entity shall ensure that the scheme submitted with the NCLT for sanction, provides for voting by shareholders through e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution.*
- f. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchange(s). Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

Signer: Harshad P Dharod
Date: Thu, Oct 28, 2021 23:00:13 IST
Location: NSE





It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from October 28, 2021 within which the scheme shall be submitted to NCLT.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

This Document is Digitally Signed



Signer: Harshad P Dharod
Date: Thu, Oct 28, 2021 23:00:13 IST
Location: NSE



LAKSHMI MACHINE WORKS LIMITED

22nd October 2021

To
Listing Department
 Department of Corporate Services
 BSE Limited
 P.J. Towers Dalal Street
 Mumbai – 400001
BSE scrip code: 500252

Sub: Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between Lakshmi Machine Works Limited ("the Transferor Company") and LMW Aerospace Industries Limited ("the Transferee Company") and their respective shareholders ("the Scheme").

Re: Report on Complaints in terms of Para (I)(A)(6) of Annexure I of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended from time to time) ("SEBI Circular")

Dear Sir / Madam,

We refer to our application dated 31st July 2021 under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in connection with the Scheme and subsequent uploading of the Scheme and other related documents by BSE Limited ("BSE") on its website on 30th September 2021.

As per Para (I)(A)(6) of the SEBI Circular, the Company is required to submit a "Report on Complaints" containing the details of complaints received by the Company on the draft Scheme from various sources, within 7 days of expiry of 21 days from the date of uploading of the draft Scheme and related documents on the website of BSE.

The period of 21 days from the uploading of said documents by the BSE on its website i.e. 30th September 2021 expired on 21st October 2021, accordingly, we attach herewith a "Report on Complaints", as "Annexure A" to this letter.

The Report on Complaints is also being uploaded on the website of the Company, i.e., www.lmwglobal.com, as per requirement of said SEBI Circular.

You are requested to take the above document on record and process our application.

For Lakshmi Machine Works Limited

C R Shivkumaran

C R Shivkumaran
Company Secretary

Encl.: As above



Annexure A

Complaints Report as on 21st October 2021

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		
2.			
3.			

For Lakshmi Machine Works Limited



C R Shivkumaran
Company Secretary

Date: 22nd October 2021



LAKSHMI MACHINE WORKS LIMITED

02nd September, 2021

To

Listing Department

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai – 400051

Symbol: LAXMIMACH

Sub: Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between Lakshmi Machine Works Limited ("the Transferor Company") and LMW Aerospace Industries Limited ("the Transferee Company") and their respective shareholders ("the Scheme").

Re: Report on Complaints in terms of (I)(A)(6) of Annexure I of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended from time to time) ('SEBI Circular')

Dear Sir / Madam,

We refer to our application dated 31st July, 2021 under Regulation 37 of the Listing Regulations in connection with the Scheme and subsequent uploading of the Scheme and other related documents by National Stock Exchange of India Limited ("NSE") on its website on 11th August, 2021.

As per Para (I)(A)(6) of the SEBI Circular, the Company is required to submit a "Report on Complaints" containing the details of complaints received by the Company on the draft Scheme from various sources, within 7 days of expiry of 21 days from the date of uploading of the draft Scheme and related documents on the website of NSE.

The period of 21 days from the uploading of said documents by the NSE on its website i.e. 11th August, 2021 expired on 1st September, 2021, accordingly, we attach herewith a "Report on Complaints", as "Annexure A" to this letter.

The Report on Complaints is also being uploaded on the website of the Company, i.e., www.lmwglobal.com, as per requirement of said SEBI Circular.

You are requested to take the above document on record and process our application.

For Lakshmi Machine Works Limited

C R Shivkumaran
Company Secretary

Encl.: As above

Annexure A

Complaints Report as on 02nd September, 2021

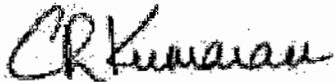
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	1
3.	Total Number of complaints/comments received (1+2)	1
4.	Number of complaints resolved	1
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Mamta Parekh	30 th August, 2021	Resolved

For Lakshmi Machine Works Limited


C R Shivkumaran
Company SecretaryDate: 02nd September, 2021

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF LAKSHMI MACHINE WORKS LIMITED AT ITS MEETING HELD ON 24TH MAY, 2021 AT 34-A, KAMARAJ ROAD, COIMBATORE - 641020, EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO, AS APPLICABLE, SPECIFYING ANY SPECIAL VALUATION DIFFICULTIES

1. BACKGROUND

- 1.1. The Board of Directors ('Board') of the Company at its meeting held on 24th May, 2021 have approved the draft Scheme of Arrangement between Lakshmi Machine Works Limited ('LMW' or 'the Company') and LMW Aerospace Industries Limited ('LMWASIL') and their respective shareholders, under sections 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme')
- 1.2. As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the Board explaining effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, as applicable, specifying any special valuation difficulties, is required to be circulated to the shareholders and/or creditors along with the notice convening the meeting.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4. The Scheme provides for the transfer of Advanced Technology Centre ('ATC') business undertaking of the Company to LMWASIL on a going concern basis.
- 1.5. The following documents were, inter alia, placed before the Board:
 - 1.5.1. Draft Scheme;
 - 1.5.2. Valuation Report dated 24 May 2021 by Mr. Pawan Shivkumar Poddar, Registered Valuer;
 - 1.5.3. Audited financial statements as on 31st March, 2021 of the Company and unaudited financial statements as on 30th April, 2021 of LMWASIL;
 - 1.5.4. Report of the Audit Committee of the Company dated 24th May, 2021;
 - 1.5.5. Report of the meeting of Independent Directors of the Company dated 24th May, 2021;

- 1.5.6. Certificate obtained from the Statutory Auditors of the Company i.e. M/s S Krishnamoorthy & Co to the effect that Scheme is in compliance with the applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013; and
- 1.5.7. Undertaking with regard to the non-applicability of requirement as prescribed in terms of Paragraph (I)(A)(9)(a) and Paragraph (I)(A)(9)(b) of Annexure I of the Securities and Exchange Board of India ('SEBI') Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended from time to time) in respect of the Scheme duly certified by the Statutory Auditors.

2. VALUATION

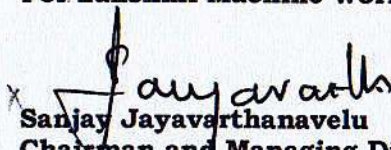
- 2.1. The Scheme provides for payment of lumpsum consideration by LMWASIL to the Company for the transfer of ATC business undertaking as determined on the Valuation Date i.e. 31st December, 2020 and to be adjusted by the increase/(decrease) in the Net Asset Value of the ATC business undertaking from the Valuation Date till the Appointed Date ('Purchase Consideration').
- 2.2. For the purposes of the Scheme, Valuation Report was obtained from Mr. Pawan Shivkumar Poddar, Registered Valuer, wherein the net asset value was arrived at for the ATC business undertaking. Basis that the Purchase Consideration was determined as on the Valuation Date as INR 90,88,00,000/- (Rupees Ninety Crore Eighty Eight Lakhs Only).
- 2.3. The Purchase Consideration shall be discharged by LMWASIL by issue and allotment of Compulsorily Convertible Debentures ("CCD") to the Company on the terms and conditions as set out in the Scheme.
- 2.4. No specific valuation difficulties were reported.

3. EFFECT OF SCHEME ON THE EQUITY SHAREHOLDERS (PROMOTER AND NON-PROMOTER) AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

- 3.1. LMWASIL is a wholly owned subsidiary of the Company. Pursuant to the Scheme, LMWASIL shall issue and allot CCDs to the Company for discharging the Purchase Consideration. There will not be any change in the shareholding pattern of the Company before and after the Scheme.

3.2. Therefore, the Scheme shall not be detrimental to the interest of the shareholders (both promoters and non-promoters) as well as Key Managerial Personnel of the Company.

For Lakshmi Machine Works Limited


Sanjay Jayavarthana
Chairman and Managing Director
DIN - 00004505

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF LMW AEROSPACE INDUSTRIES LIMITED AT ITS MEETING HELD ON 24TH MAY, 2021 AT 34-A, KAMARAJ ROAD, COIMBATORE - 641018, EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO, AS APPLICABLE, SPECIFYING ANY SPECIAL VALUATION DIFFICULTIES

1. BACKGROUND

- 1.1. The Board of Directors ('Board') of the Company at its meeting held on 24th May, 2021 have approved the draft Scheme of Arrangement between Lakshmi Machine Works Limited ('LMW') and LMW Aerospace Industries Limited ('LMWASIL' or 'the Company') and their respective shareholders, under sections 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme').
- 1.2. As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the Board explaining effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, as applicable, specifying any special valuation difficulties, is required to be circulated to the shareholders and/or creditors along with the notice convening the meeting(s).
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4. The Scheme provides for the transfer of Advanced Technology Centre ('ATC') business undertaking of Lakshmi Machine Works Limited to the Company on a going concern basis.
- 1.5. The following documents were, inter alia, placed before the Board:
 - 1.5.1. Draft Scheme;
 - 1.5.2. Valuation Report dated 24 May 2021 by Mr. Pawan Shivkumar Poddar, Registered Valuer;

1.5.3. Audited financial statements as on 31st March, 2021 of LMW and unaudited financial statements as on 30th April, 2021 of the Company;

1.5.4. Certificate obtained from the Statutory Auditors of the Company i.e. M/s S Krishnamoorthy & Co, to the effect that Scheme is in compliance with the applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013; and

2. VALUATION

- 2.1. The Scheme provides for payment of lumpsum consideration by the Company to LMW for the purchase of ATC business undertaking as determined on the Valuation Date i.e. 31st December, 2020 and to be adjusted by the increase/(decrease) in the Net Asset Value of the ATC business undertaking from the Valuation Date till the Appointed Date ('Purchase Consideration').
- 2.2. For the purposes of the Scheme, Valuation Report was obtained from Mr. Pawan Shivkumar Poddar, Registered Valuer, wherein the net asset value was arrived at for the ATC business undertaking. Basis that the Purchase Consideration was determined on the Valuation Date as INR 90,88,00,000 / - (Rupees Ninety Crore Eighty-Eight Lakhs Only).
- 2.3. The Purchase Consideration shall be discharged by the Company by issue and allotment of Compulsorily Convertible Debentures ("CCDs") to LMW on the terms and conditions as set out in the Scheme.
- 2.4. No specific valuation difficulties were reported.


3. EFFECT OF SCHEME ON THE EQUITY SHAREHOLDERS (PROMOTER AND NON-PROMOTER) AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

- 3.1. LMW holds 100% of the equity share capital of LMWASIL. Pursuant to the Scheme, LMWASIL proposes to issue CCDs to LMW.
- 3.2. On issue of CCDs or at the time of conversion of CCDs in future, there shall not be any dilution in the effective stake of LMW in the share capital of LMWASIL. LMW shall continue to hold 100% of the equity share capital of LMWASIL.

CIN :U29299TZ2021PLC035813 PAN :AAECL5547J
Regd. Office : C/o.Lakshmi Machine Works Ltd, SF No.516, 516/2,
SRKV Post, Periyanaickenpalayam, Coimbatore-641020
Ph: 0422-7192255 E-Mail : Secretarial@lmw.co.in

- 3.3. As LMW would continue to exercise complete control over the ATC business undertaking, the Scheme is not expected to have any adverse effect on LMW, being the sole shareholder of LMWASIL.
- 3.4. There are no key managerial personnel in LMWASIL and hence, the question of impact on the key managerial personnel does not arise.

For LMW AEROSPACE INDUSTRIES LIMITED



K. Soundhar Rajhan
Director
DIN: 07594186

Ref: DSPL/LASIL/01/2022-23
The Board of Directors
Lakshmi Machine Works Limited
SRK Vidyalaya Post
Perianaickanpalayam
Coimbatore 641020

May 31,2022

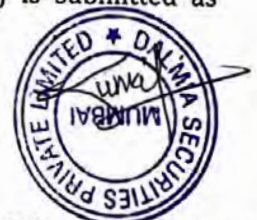
Dear Sir/Madam

Subject: Certificate on adequacy and accuracy of disclosure of Information in the Abridged Prospectus in compliance with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated 23rd November 2021 ("SEBI Circular"), for the purpose of the proposed Scheme of Arrangement between Lakshmi Machine Works Limited ("Transferor Company" or "LMW") and LMW Aerospace Industries Limited (the "Transferee Company or LASIL") and their respective shareholders, under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, for demerger of certain businesses of LMW into LASIL (hereinafter referred to as, the "Scheme"), as provided in the format specified for the abridged prospectus in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, to the extent applicable ("SEBI (ICDR) Regulations").

This is with reference to the engagement letter no. **DSPL/LMWAS/01/2022/23** dated April 19,2022 appointing Dalmia Securities Private Limited ["**DSPL**"/"**We**"], a SEBI Registered Category (I) Merchant Banker, to provide certificate on adequacy and accuracy of disclosure of Information in the Abridged Prospectus, prepared in compliance with SEBI Circular.

The Scheme involves LMW, a public limited company having its shares listed on BSE Limited and The National Stock Exchange of India Limited, and LASIL , an unlisted private limited Company forms part of promoter group of the LMW.

The SEBI Circular *inter-alia* prescribed that the listed entity (in the present case "**LMW**") shall include the applicable information pertaining to the unlisted entities (in the present case "**LASIL**") involved in the Scheme in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**"), in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking approval of the Scheme. The SEBI Circular further states that the accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process. In this regard, the Abridged Prospectus dated May 31,2022 (**Abridged Prospectus**) is submitted as required in terms of the paragraph 3(a) of Part I of the SEBI Circular.



Regd .Office: Ideal Plaza, Suite S-401, 4th Floor, 11/1, Sarat Bose Road, Kolkata – 700020, P 91-33-22806544, 91-33-66120500 F 91-33-22806643
Mumbai Office: 17, Khetan Bhawan, 2nd Floor, 198, J.Tata Road, Mumbai 400020 Ph No: 91-22 -30272810,91-22-30272860

CIN: U67120WB1993PTC060525

Email. ID: dspl@dalmiasec.com

www.dalmiasec.com

SEBI Regn No: Merchant Banking – INM000011476, Research Analyst – INH300003066

Single SEBI Registration No - INZ000181031 (NSE Code 06453 / BSE Code 530)

NSDL IN300222. CDSL 14500. ARN 0284



Based on the information, undertakings, certificates, confirmations and documents provided to us by LMW and LASIL, we confirm that the information contained in the Abridged Prospectus is accurate and adequate, in terms of the paragraph 3(a) of Part I of the SEBI Circular read with the format provided in Part E of Schedule VI of the ICDR Regulations and the **SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/ 2021/000000065 dated 23rd November 2021 ("SEBI Circular")**, as applicable ("**Abridged Prospectus Format**").

The above confirmation is based on the information furnished and explanation provided to us by the management of the LMW and LASIL, assuming the same is complete and accurate in all materials aspect on an as is basis. We have relied upon financials; information and representation furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information; accordingly, we are unable to, and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus. This certificate is based on the information as at May 31,2022 . This certificate is specific purpose certificate issued in terms of the SEBI Circular and hence should not be used for any other purpose or transaction. This certificate is not, nor should it be constructed as our opinion or certification of the compliance of the proposed Scheme of Arrangement with the provision of any law including Company law, taxation laws, capital market laws and related laws.

We express no opinion and make no recommendation at all to the Transferor/ Transferee Company's underlying decision to effect the Scheme or as to how the holders of equity shares of the Transferor Company should vote at their respective meeting held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion and, accordingly, accept no responsibility for or as to price at which the equity shares of the Transferor Company will trade following the Scheme or as to financial performance of LMW or LASIL following the consummation of the Scheme. We express no opinion whatsoever and make no recommendation at all (and accordingly take no responsibility) as to whether shareholders/Investors should buy, sell, or hold any stake in the Transferor Company or any of its related parties (holding/subsidiaries/associates).

For **Dalmia Securities Private Limited**



Jeyakumar S

COO- Investment Banking

SEBI Registration Number INM000011476

Date: May 31, 2022

Place: Mumbai



Abridged Prospectus
Dated May 31, 2022

This is an Abridged Prospectus prepared in connection with the proposed Scheme of Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, between Lakshmi Machine Works Limited (referred as "Transferor Company"/ "LMW") and LMW Aerospace Industries Limited (referred as "Transferee Company" or "LASIL") and their respective Shareholders ["Scheme"].

**THIS ABRIDGED PROSPECTUS CONTAINS 8 PAGES
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

This Abridged Prospectus has been prepared in connection with the Scheme pursuant to and in compliance with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with the Consolidated SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November 2021 ("SEBI Master Circular") and in accordance with the disclosures in Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, to the extent applicable.

This Abridged Prospectus dated May 31, 2022 is important and should be carefully read together with the Scheme and the notice being sent to the Shareholders of Lakshmi Machine Works Limited. The Scheme would also be available on the websites of the National Stock Exchange of India Limited ('NSE') at www1.nseindia.com and BSE Limited ('BSE') at www.bseindia.com.

LMW Aerospace Industries Limited

Registered Office: SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore, Tamil Nadu - 641 020

Corporate Office: 34 A Kamaraj Road Coimbatore 641018

Contact Person: Ms. Dhanalakshmi B <secretarial@lmw.co.in> Phone: +91 422 7192255, Director
Corporate Identity Number (CIN): U29299TZ2021PLC035813

NAME OF THE PROMOTER OF LMW AEROSPACE INDUSTRIES LIMITED

LMW Aerospace Industries Limited is a public Company incorporated on March 16, 2021 under the provisions of the Companies Act 2013, with the Corporate Identification Number CIN U29299TZ2021PLC035813. Its registered office is situated at SRK Vidyalaya Post, Perianaickanpalayam, Coimbatore 641020.

The main object of the Transferee Company *inter-alia* is to carry on the business of design, development, production, assembly, import/ export of military space systems such as space craft, space launch vehicles, space stations, planetary probes in Aerospace business.

LASIL is incorporated as a Wholly Owned subsidiary of LMW, a Company listed in BSE/NSE. Mr. Sanjay Jayavarthanavelu is the promoter of LMW.

LASIL is the Transferee Company upon the implementation of the Scheme of Arrangement. For further details on "Promoter" please refer page [3] of the Abridged Prospectus.

SCHEME AND INDICATIVE TIME LINE

The Scheme is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, rules and regulations made thereunder between Lakshmi Machine Works Limited having CIN: L29269TZ1962PLC000463 ('the Transferor Company' or 'LMW') and LMW Aerospace Industries Limited having CIN U29299TZ2021PLC035813 ('the Transferee Company' or 'LASIL') for transfer and vesting of the entire Advanced Technology Centre ("ATC") business of the Transferor Company which makes structural, sheet metal, and engine components and sub-assemblies for leading Original Equipment Manufacturers in the aerospace business in India and abroad, undertakings, activities and operations of the Transferor Company as identified by the Board of Directors of the Transferor Company, with all properties, assets, technical experience and credentials, including pre-qualifications, rights and powers and all debts, liabilities, duties and obligations, litigations, working capital (including all inventories), whether tangible or intangible, and such other ventures, so identified and shall include ancillary and



support services in relation to the same, to be transferred to the Transferee Company as a going concern with effect from the Appointed Date and upon effectiveness of the Scheme on the Effective Date.

"ATC Business Undertaking" shall mean Advanced Technology Centre ("ATC") of the LMW which makes structural, sheet metal, and engine components and sub-assemblies for leading Original Equipment Manufacturers in the aerospace business in India and abroad,

The equity shares of the Transferee Company are as on date not listed/ traded on any of the recognized Stock Exchanges of India and are not proposed to be listed post implementation of the Scheme.

As a part of the Scheme, the Transferee Company would issue and allot Compulsorily Convertible Debentures of the Transferee Company, to LMW, the parent holding company of LASIL and its sole shareholder. The CCDs are not proposed to be listed in any of the recognized stock exchanges of India.

The procedure with respect to public issue/ public offer would not be applicable, as this issue is only to the shareholders of the unlisted Company, pursuant to the Scheme, without any cash consideration. Hence, the procedure with respect to General Information Document (GID) is not applicable.

ELIGIBILITY

The percentage of shareholding of pre-scheme public shareholders of the listed entity and the Qualified Institutional Buyers (QIBs) of the unlisted entity, if any, in the post scheme shareholding pattern of the merged company shall not be less than 25%:- Not applicable as there is no change in the shareholding pattern of LMW, the listed Company.

In connection with the proposed Scheme, the Transferee Company will not issue / reissue any Equity Shares, not covered under the Scheme. There are no outstanding warrants / instruments / agreements in the Transferee Company which give a right to any person to be the beneficiary of Equity Shares in the Transferee Company at any future date.

GENERAL RISK

Investors are advised to read the risk factors carefully before taking an investment decision in relation to the Scheme and the Transferee Company. For taking an investment decision, the investors/shareholders must rely on their own examination of the Transferee Company, and the Scheme including the risk involved. The CCDs being issued under the Scheme have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy/adequacy of this document. Specific attention of the Shareholders/Investors is invited to the statement of Risk Factors appearing in the Abridged Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

The Transferor Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Abridged Prospectus contains all information with regard to the Transferee Company, and the Scheme, which is material in the context of the Scheme, that the information contained in this Abridged Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Abridged Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The CCDs issued by the Transferee Company shall not be Listed in any of the recognized stock exchanges viz. National Stock Exchange of India Limited (NSE) and The BSE Limited. (BSE)

GENERAL INFORMATION

MERCHANT BANKER FOR DUE DILIGENCE



DALMIA SECURITIES PRIVATE LIMITED

Khetan Bhavan, Room No. 17, 2nd Floor, 198, Jamshedji Tata Road, Mumbai - 400 020

Tel No: +91 22 45117200/205/216;

Email: s.jeyakumar@dalmiasec.com; Website: www.dalmiasec.com

Investor Grievance Email: grievances@dalmiasec.com

Contact person: Mr. Jeyakumar S.

SEBI Registration No: INM000011476

STATUTORY AUDITORS OF THE COMPANY

Address of the Statutory Auditor of Transferee Company: S.Krishnamoorthy & Co., Chartered Accountants, Firm Registration No.001496S



Address: No. 1391/A-1, Kanapathy Towers, III Floor,,
Sathyamangalam Road, Ganapathy,
Coimbatore, Tamil Nadu 641006
Contact name: Mr. B.Krishnamoorthi, Partner, Membership No:020439
Telephone: 04224039900 email address: - bk@skmcoca.com

PROMOTERS OF LMW AEROSPACE INDUSTRIES LIMITED

As on date of this Abridged Prospectus, LASIL is a wholly owned subsidiary of LMW, which is a public Company incorporated on September 14, 1962 under the provisions of the Indian Companies Act, 1956, and deemed to exist within the purview of the Act, with the Corporate Identification Number L29269TZ1962PLC000463. Its registered office is situated at SRK Vidyalaya Post, Perianaickenpalayam, Coimbatore 641020.

Lakshmi Machine Works Limited (LMW), a leading Textile Machinery Manufacturer in India and one among the three in the world to produce the entire range of Spinning Machinery. In 1962, LMW was founded to provide Indian textile mills with the latest Spinning Technology. It caters to the domestic market and to markets across the globe.

LMW diversified into CNC Machine Tools and is a brand leader in manufacturing customised Machine Tools. . LMW Foundry makes Precision Castings for industries world over. LMW has added the Advanced Technology Centre to manufacture components for the Aerospace Industry.

The equity shares of LMW are listed and traded on the recognized Stock Exchanges viz. BSE and NSE. As at March.31, 2022 the shareholding pattern of LMW is as under:

Share Capital	Amount (in INR)
Authorised Capital	
5,00,00,000 Equity Shares of INR 10/- each	50,00,00,000
TOTAL	50,00,00,000
Issued, Subscribed and Paid-up Share Capital	
1,06,83,000 Equity Shares of INR 10/- each fully paid up	10,68,30,000
TOTAL	10,68,30,000

Sl.No	Shareholder particular	% of holding
1	Promoters and Promoter Group	31.13
2	Public shareholding	68.87

(Source: Filing with the BSE as per SEBI LODR requirements)

FIVE LARGEST LISTED GROUP COMPANIES.

Name of Companies	Equity Capital as on March 31,2022 Rs. Cr	Income/ Turnover for the FY2022 Rs.Cr	Profit/(loss) after tax for FY 2022 Rs. Cr	Listing Status
Lakshmi Machine works Limited (Consolidated)	10.68	3,170.9	181.05	Listed in BSE/NSE-Active
Super Sales India Limited	3.07	426.87	48.16	Listed in BSE-Active

(Source: Filings by the companies with BSE)

BUSINESS MODEL/ OVERVIEW AND STRATEGY



LMW Aerospace Industries Limited (LASIL), the Transferee Company has been incorporated in March 2021 with its Registered Office in Coimbatore, with main objective of carrying on the business activities of the aerospace business undertaking of LMW, the Transferor Company. The Transferor Company has the production facilities for its aerospace products at its Advance Technology Centre located at Ganapathy, Coimbatore.

In 2010, LMW set up an Advanced Technology Centre (ATC), to produce systems, modules, assemblies and components for Aerospace and Defence sector. The facility spans the composite and metallic arena. The ATC is perceived as a one stop solution to the Aerospace customer. In terms of infrastructure and capability, ATC has proven manufacturing facilities and its Quality Assurance standards are aligned to AS 9100D certification and NADCAP for special process viz Chemical Process, NDT, Welding and Heat treatment. ATC has ongoing projects with major OEMs & Tier 1's in US, Europe and various divisions of Hindustan Aeronautics Limited (HAL) as well as Defence Research & Development Organisation (DRDO) and Indian Space Research Organisation (ISRO). Aerospace Composite facility has processing and assembly facility to deliver a spectrum of composite and hybrid structures for space, aviation and strategic requirements meeting all the quality protocols.

For the year ended March 31, 2022 the ATC segment had a turnover of Rs. 48.29 crore and reported segment loss of (Rs. 18.56. cr). (Corporate filing to BSE and NSE by LMW March 31, 2022 results)

The newly incorporated LASIL, is yet to commence commercial operations. The operations would begin, upon completion of the Scheme.

BOARD OF DIRECTORS

The following table sets forth the details regarding the Board of Directors of LASIL, as on date of Abridged Prospectus:

Sr. No.	Name (DIN)	Profile
1.	Dhanalakshmi Bangaruswamy (07153652)	She is currently designated as Head –Corporate Finance of Lakshmi Machine Works Limited. She is a qualified Chartered Accountant, and Company Secretary. She has professional experience of 25 years with LMW.
2.	Kandaswamy Soundhar Rajhan (07594186)	He is presently designated as Director-Operations (Wholetime Director) of Lakshmi Machine Works Limited. He holds a Bachelor's Degree in Science. He has professional experience of over 47 years with LMW.
3.	Viswanathan Senthil (09066063)	He is presently the Chief Financial Officer of Lakshmi Machine Works Limited. He is a member of the Institute of Chartered Accountants of India. He has been with LMW as CFO for over 3 years.

OBJECTS OF THE ISSUE

a) Objects of the Scheme:

The proposed Scheme would inter-alia, result in the following benefits:-

Presently, the business verticals of LMW, viz. Textile Machinery Division, Machine Tool Division, Foundry Division and Advanced Technology Centre ("ATC") are operated by LMW, under a single entity.

The ATC business undertaking of LMW has different capital, operating and regulatory requirements from the rest of the business verticals. Further, LMW is also desirous of scaling up the business operations within Aerospace industry. LASIL is a wholly owned subsidiary of LMW and LMW believes that it would be beneficial to restructure its business by divesting the ATC business undertaking into a separate legal entity with sharper and dedicated focus on the aerospace business so as to achieve greater operational efficiencies and cost optimization.



- b) **Cost of the project:** Not Applicable
c) **Means of financing:** Not Applicable
d) **Schedule of deployment of issue proceeds:** Not Applicable
e) **Name of appraising agency:** Not Applicable
f) **Name of monitoring agency:** Not Applicable
g) **Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years:** Not Applicable as the company is incorporated on March 16, 2021 and has not raised resources through Public/ Rights Issue.
h) **Details of any outstanding convertible instrument (including convertible warrants):** NIL.

SHAREHOLDING PATTERN

a) **Equity Shareholding pattern of LASIL (Transferee Company)**

Category & Name of Shareholders	Pre –Scheme		Post-Scheme	
	Number of Shares	(%)	Number of Shares	(%)
A. Promoter	25,00,000	100	25,00,000	100
Lakshmi Machine Works Limited	25,00,000	100	25,00,000	100
B. Other than Promoter-	Nil	Nil	Nil	Nil
Public	NIL	NIL	NIL	NIL
GRAND TOTAL (A+B)	25,00,000	100.00	25,00,000	100.00

b) **Equity Share holding pattern of LMW (including and indicative Post- Scheme shareholding, changes, if any) :**

Sri Sanjay Jayavarthanelu is the Promoter of LMW.

Category & Name of Shareholders	Pre –Scheme/ Post Scheme	
	No. of Shares	(%)
A. Promoters and Promoter Group	33,25,726	31.13
Details at Annexure A		
B. Public	73,57,274	68.87
GRAND TOTAL (A+B)	1,06,83,000	100.00

There would be no change in the share holding pattern of LMW Post -Scheme.

FINANCIAL INFORMATION

a) **Audited Financial Information (Consolidated):**

For the financial year ended March 31, 2022, the Company did not have any income as the operations are yet to commence. As at March 31, 2022 the Company had an equity capital of Rs.2,50,00,000 and had miscellaneous expenditure to the extent of Rs. 3,51,000 not written off. As at the same date, the Company had a cash balance of Rs.2,46,59,000 and current liability of Rs.10,000



b) **Material Development after the date of the latest balance sheet:**
None.

c) **Authorized, issued, subscribed and paid-up capital as on the date of the Abridged Prospectus is set forth as below:**

Authorised Capital	Number	Amount Rs.
Equity Shares of Rs.10/- each	25,00,000	2,50,00,000
Issued, Subscribed and Paid-up		
Equity Shares of Rs.10/- each fully paid up	25,00,000	2,50,00,000

INTERNAL RISK FACTORS

The Scheme has been intended to hive off ATC business undertaking of LMW into LASIL. The risk factors pertaining to the ATC Business Undertaking which is proposed to be hived off into LASIL are as under:

- a) The business of ATC is dependent on the growth of aerospace and defence sector in India and abroad. Any slowdown in the growth of aerospace sector in India and abroad, will have an impact on our business, as we would be manufacturing and marketing Aerospace products to select end users in both private sector and Government bodies. The budgetary allocations by the Government will also have an impact on our business.
- b) Our business is dependent on the manufacturing facilities of the ATC business undertaking located in Ganapathy, Coimbatore. Any labour unrest or plant shut down will have an impact on the business operations of LASIL, post implementation of the Scheme.
- c) We face intense competition in our business and this presents a continuous challenge to our success as we have third party dependency for contract manufacturing and quality clearance of components.
- d) ATC Division of LMW (which is proposed to be hived off under the Scheme) has incurred loss in past as specified below :

SL	Financial Year	INR Crores	
		Sales	Loss
1	2019-20	33.26	16.43
2	2020-21	28.88	25.87
3	2021-22	48.29	18.56

We cannot assure about the future profitability of the ATC business operations

- e) Our inability to attract, train and retain qualified personnel and successfully operate our operations may influence our results.

SUMMARY OF OUTSTANDING LITIGATIONS/CLAIMS AND REGULATORY ACTIONS

- a) **Total Number of outstanding litigations involving LASIL: NIL**
- b) **Regulatory Action, if any - disciplinary action taken by Securities and Exchange Board of India or Stock Exchanges in India against the Promoters/ Group Companies of the LASIL in the past 5 (five) financial years including outstanding action, if any: NIL.**
- c) **Outstanding criminal proceedings against the Promoters of LMW: NIL**

OTHER DISCLOSURE

- a) **Basis of Issue Price:** Not applicable as the shares are not being issued on a swap or exchange ratio basis. Under the Scheme, LMW, the existing shareholder of LASIL, the Transferee Company, will be allotted



Compulsorily Convertible Debentures of LASIL to the extent of Rs. 90,88,00,000 as adjusted by the change in Net Asset Value of the ATC Business undertaking from the valuation date till appointed date. Each of the CCDs will have face value of Rs.1,00,000 with a tenor of 10 years and will be converted into equity shares at Rs.10/-share.

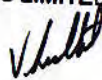
- b) **The share:** Valuation Reports (for both LMW & LASIL) and fairness opinion from a SEBI registered Merchant Banker is not required as there is no change in the shareholding pattern of the listed entity (LMW) / Transferee Company (LASIL) as per the Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.
- c) **Authority for the issue:** The Scheme was approved by the Board of directors of LMW/LASIL in their meeting held on May 24, 2021. The Scheme is subject to the approvals from the applicable statutory and regulatory authorities, such as, among others, National Company Law Tribunal ('NCLT') and shall come into effect from the Appointed Date, as defined under the Scheme.
- d) **Material contracts and documents for inspection**
- 1) Memorandum and Articles of Association of LMW Aerospace Industries Limited;
 - 2) Draft Scheme of Arrangement;
 - 3) Approvals from creditors
- e) **Time and place of inspection of material contracts:** Copies of aforesaid documents are available for inspection at the Registered Office of LASIL on all working days between 10.00 am to 5.00 pm from date of the Abridged Prospectus until date of listing approval.

DECLARATION

We hereby declare that all applicable provisions of the format of an Abridged Prospectus as set out in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, have been complied with. We further certify that all statements with respect to us in this Abridged Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF LMW AEROSPACE INDUSTRIES LIMITED

For LMW AEROSPACE INDUSTRIES LIMITED



**V. Senthil
Director**

Date: May 31, 2022

Place: Coimbatore

Annexure I Shareholding Pattern of promoter and Promoter Group as at March 31,2022		
Name	Belongs to	Number of Shares held
UTTARA R	Promoter Group	44,290
S PATHY	Promoter Group	1,721
NETHRA J S KUMAR	Promoter Group	720
LALITHADEVI SANJAY JAYAVARTHANAVELU	Promoter Group	49
J RAJYALAKSHMI	Promoter Group	97,980
RAVI SAM	Promoter Group	5,866
SANJAY JAYAVARTHANAVELU	Promoter	1,42,291
D. SENTHILKUMAR	Promoter Group	160
JAIDEV JAYAVARTHANAVELU	Promoter Group	460
SHIVALI JAYAVARTHANAVELU	Promoter Group	7,970
K ARJUN	Promoter Group	313
K NITHIN	Promoter Group	305
S SUNITHA	Promoter Group	301
ESHAAN ENTERPRISES LIMITED	Promoter Group	1,27,110
LAKSHMI PRECISION TOOLS LIMITED	Promoter Group	15,000
LAKSHMI RING TRAVELLERS (CBE) LIMITED	Promoter Group	2,52,180
LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED	Promoter Group	88,800
LAKSHMI CARGO COMPANY LTD	Promoter Group	10,76,368
LAKSHMI TECHNOLOGY AND ENGINEERING INDUSTRIES LTD	Promoter Group	6,96,862
LAKSHMI ELECTRICAL DRIVES PRIVATE LIMITED	Promoter Group	17,500
THE LAKSHMI MILLS COMPANY LIMITED	Promoter Group	5,20,000
SUPER SALES INDIA LIMITED	Promoter Group	2,29,480
Sub Total A1		33,25,726
A2) Foreign		NIL
A=A1+A2		33,25,726
As a % of total shares		31.13

Source: BSE filing for March 31,2022

