LMW®

LAKSHMI MACHINE WORKS LIMITED

08th September, 2021
Coimbatore

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

Sub: 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")

Ref: Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and your communication dated August 31, 2021

Dear Sir/Madam,

With reference to your query vide email dated August 31, 2021 seeking clarifications and necessary submissions pertaining to our reply filed dated August 26, 2021 and the Draft Scheme filed on July 31, 2021, we would like to state as under:

Query no.	Queries	Responses
1	1. Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old) as per Annexure IV. Please note that for existing Listed Company, provide the last Annual Report and the audited / unaudited financials of the latest quarter (where it is due) accompanied mandatorily by the Limited Review Report of the auditor: Submit financials of Transferee Company and also audited financials as on March 31,2021 for the Transferor Company.: Kindly clarify why not applicable for Transferee Company.	The Transferee Company was incorporated on March 16, 2021 and the issue of equity shares by it was undertaken on April 19, 2021. Therefore, it is not possible to prepare audited financials as on March 31, 2021. However, we have enclosed unaudited financials of the Transferee Company as on April 30, 2021 marked as **Annexure A.**
2	Brief details of the transferee/resulting and transferor/demerged companies as per format enclosed at Annexure VIII.: Annexures are to be attached as discussed.	Revised brief details of the transferee/resulting and transferor/demerged companies along with the requisite annexures is enclosed and marked as **Annexure B.**

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3	Networth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the transferee and / or resulting company.: To be submitted for Lakshmi Machine Works Ltd.	The Networth certificate (excluding Revaluation Reserve) together with related workings of pre and post scheme for Lakshmi Machine Works Limited ("Transferor Company") is enclosed and marked as **Annexure C.**
4	Capital evolution details of the transferee/resulting and transferor/demerged companies as per format enclosed at Annexure X: Mention no of shares for Transferor Company. Changes not done as per query raised.	Revised Capital evolution details of the transferee / resulting and transferor / demerged Companies are enclosed and marked as **Annexure D & E** respectively.
5	Confirmation by the Managing Director/ Company Secretary as per format enclosed as Annexure XI :Kindly submit as per latest checklist format .Don't strike out points. Kindly confirm point applicable or not.	The revised confirmation by the Managing Director/ Company Secretary as per format enclosed as Annexure XI is enclosed and marked as **Annexure F.**
6	Processing fee (non-refundable) payable to SEBI will be as below, through RTGS/NEFT/IMPS as per details given in Annexure XII or through DD favoring 'Securities and Exchange Board of India" payable at Mumbai' As per amendment in Regulation 37, the listed entity shall pay a fee to SEBI at the rate of 0.1% of the paid-up share capital of the listed / transferee / resulting company, whichever is higher, post sanction of the proposed scheme, subject to a cap of Rs.5,00,000. : Kindly clarify on this point wrt to capital considered for calculating sebi fees.	For the purpose of computing the SEBI processing fees at 0.1%, we have considered the post-scheme paid-up share capital of the listed Transferor Company of INR 10,68,30,000/-.
7	Undertaking that the transferee entity will not issue/reissue shares not covered under the draft scheme.: To be confirmed by Listed company. (ii) Undertaking that as on date of application there are no outstanding Warrants/instruments/agreements which give right to any person to take the equity shares in the transferee entity at any future date: To be confirmed by listed company.	The same is enclosed and marked as **Annexure F.**
8	Report from the Committee of Independent Directors recommending the draft scheme taking into consideration, inter alia,	The Report from the Independent Directors recommending the draft scheme is enclosed herewith and marked as **Annexure G.**

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	that the scheme is not detrimental to the shareholders of the listed entity, as per Para (A)(2)(i) of Part I of SEBI Master Circular: To be submitted	
9	Valuation report not signed by the Valuer. Also clarify why Financial statement of the ATC Business undertaking as at December 31, 2020 considered for arriving Net Asset Value figures considered as December 31.2020 in the valuation report. Also consideration as per valuation report is higher than the consideration as compared to scheme. Kindly clarify on this point.	The signed valuation report is enclosed and marked as **Annexure H.** The financial statements of the ATC Business undertaking were considered as at December 31, 2020 because the financials as on March 31, 2021 got approved only on May 24, 2021. However, as mentioned in clause 7 of the Scheme, the purchase consideration will be adjusted to the extent of the difference between basis the net asset value on the valuation date and the appointed date. Further, the Face value of one CCD is INR 1,00,000/-. As per Clause 7.2 of the draft scheme of arrangement, any fractional entitlement arising out of the issue and allotment of the CCDs shall be rounded up to the previous whole integer. Hence, consideration as per the valuation report is higher than the consideration as mentioned in the draft scheme.
10	Following additional documents are required to be submitted for Demerger cases wherein a division of a listed company is hived off into an unlisted company or where listed company is getting merged with an unlisted company: Not submitted.	The same is enclosed and marked as **Annexure F and Annexure I.**

Request you to take the above on record.

Thanking You,

Yours faithfully,

For Lakshmi Machine Works Limited

C R Shivkumaran
Company Secretary

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