

Our Ref : Sec/270/2021
Date : 24.05.2021

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block-G, Bandra Kurla Complex,
Bandra(E), Mumbai - 400 051.

Dear Sirs,

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly take note that the Board of Directors ('Board') of the Company, on recommendation of the Audit Committee and meeting of Independent Directors, at their respective meetings held on 24th May, 2021, inter alia have approved the Scheme of Arrangement between Lakshmi Machine Works Limited and LMW Aerospace Industries Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 ("Scheme" or "the Scheme").

The Scheme would be subject to approval of the Shareholders, Creditors of Lakshmi Machine Works Limited ('LMW') and LMW Aerospace Industries Limited ('LMWASIL'), BSE Limited ('BSE'), the National Stock Exchange of India Limited ('NSE'), Securities and Exchange Board of India ('SEBI'), the jurisdictional National Company Law Tribunal ('NCLT') and other applicable statutory authorities.

Disclosure pursuant to Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed.

You are requested to take the above on record.

For Lakshmi Machine Works Limited



C R Shivkumaran
Company Secretary



In terms of Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Lakshmi Machine Works Limited makes the following disclosures as prescribed in Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 as amended from time to time:

Sr No	Particulars	Description									
1.	Name of the entity(ies) forming part of the Scheme, details in brief such as, size, turnover etc. and details of restructuring	<p>Transferor Company – Lakshmi Machine Works Limited ('LMW')</p> <p>Transferee Company – LMW Aerospace Industries Limited ('LMWASIL')</p> <p>The Scheme provides for transfer of Advanced Technology Centre (ATC) business undertaking of the Transferor Company to the Transferee Company on a going concern basis.</p> <p>The details of the assets and turnover of LMW and LMWASIL is as under:</p> <p style="text-align: right;">(Rs. in Crs.)</p> <table border="1" data-bbox="722 1106 1430 1355"> <thead> <tr> <th>Entity</th> <th>Total Assets as on March 31, 2020</th> <th>Total Revenue as on March 31, 2020</th> </tr> </thead> <tbody> <tr> <td>LMW*</td> <td>2,346</td> <td>1,668</td> </tr> <tr> <td>LMWASIL**</td> <td>N.A.</td> <td>N.A.</td> </tr> </tbody> </table> <p>*basis consolidated financials</p> <p>**the company was incorporated on 16th March, 2021</p>	Entity	Total Assets as on March 31, 2020	Total Revenue as on March 31, 2020	LMW*	2,346	1,668	LMWASIL**	N.A.	N.A.
Entity	Total Assets as on March 31, 2020	Total Revenue as on March 31, 2020									
LMW*	2,346	1,668									
LMWASIL**	N.A.	N.A.									
2.	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies, if yes details thereof	<p>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 - 641020</p> <p>LMWASIL is an Unlisted Public Limited Company and is Wholly Owned Subsidiary Company of LMW.</p> <p>LMWASIL is not Promoter or Promoter Group Member of LMW.</p>									



3.	Date on which the agreement for sale has been entered into	The proposal for the Scheme has been approved by the Board of Directors of the Transferor and Transferee Company respectively on May 24, 2021.									
4.	Turnover and Net worth of such unit or division of the listed entity and as percentage to the total turnover and net worth of the listed entity in the immediately preceding financial year / based on financials of the last financial year	<table border="1" data-bbox="691 522 1444 809"> <thead> <tr> <th data-bbox="691 522 1020 577">Particulars</th> <th data-bbox="1020 522 1232 577">Turnover</th> <th data-bbox="1232 522 1444 577">Net Worth</th> </tr> </thead> <tbody> <tr> <td data-bbox="691 577 1020 710">ATC Business Undertaking (as on 31.03.2020)</td> <td data-bbox="1020 577 1232 710">INR 33 Crs.</td> <td data-bbox="1232 577 1444 710">INR 23 Crs</td> </tr> <tr> <td data-bbox="691 710 1020 809">% to consolidated figures of LMW</td> <td data-bbox="1020 710 1232 809">2%</td> <td data-bbox="1232 710 1444 809">1.43%</td> </tr> </tbody> </table>	Particulars	Turnover	Net Worth	ATC Business Undertaking (as on 31.03.2020)	INR 33 Crs.	INR 23 Crs	% to consolidated figures of LMW	2%	1.43%
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ATC Business Undertaking (as on 31.03.2020)	INR 33 Crs.	INR 23 Crs									
% to consolidated figures of LMW	2%	1.43%									
6.	Area of business of the entity(ies)	<p>LMW operates in the business verticals of Textile Machinery Division, Machine Tool Division, Foundry Division and Advanced Technology Centre.</p> <p>LMWASIL is a Wholly Owned Subsidiary of LMW, incorporated to carry on aerospace business. However it is yet to commence its operations.</p>									
7.	Rationale for slump exchange and effect of restructuring	<p>Presently, the business verticals of LMW viz. Textile Machinery Division, Machine Tool Division, Foundry Division and ATC are operated under a single entity.</p> <p>The ATC business undertaking 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.</p> <p>LMWASIL 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.</p>									



8.	In case of cash consideration — amount or otherwise share exchange ratio	<p>The consideration for the transfer of the ATC business of the Company to LMWASIL shall be a lump sum consideration of INR 90,88,00,000/- (Rupees Ninety Crore Eighty Eight Lakhs Only), subject to certain closing adjustments.</p> <p>LMWASIL shall discharge the said consideration by way of issue and allotment of Compulsorily Convertible Debentures of face value of INR 1,00,000/- each to LMW.</p>
9.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"?	<p>LMWASIL is a Wholly Owned Subsidiary of LMW therefore the proposed transaction would be deemed to be related party transactions under Regulation 2(zc) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR').</p> <p>However, the said transaction would be exempt from the requirements of sub-regulations (2), (3) and (4) of regulation 23 of SEBI LODR.</p> <p>Further, no approval of Shareholders should be required u/s 188 of the Companies Act, 2013.</p> <p>Further, the Company has obtained a valuation report from Mr. Pawan Shivkumar Poddar, Registered Valuer, bearing registration No:- IBBI/RV/06/2019/12475 for the purposes of the Scheme.</p>
10.	Brief details of change in shareholding pattern (if any) of listed entity	<p>There shall be no change in shareholding pattern of LMW pursuant to the Scheme since the transfer would be by way of slump sale/exchange and no consideration shall be discharged by LMWASIL to the shareholders of LMW.</p>
11.	The expected date of completion of sale/disposal	<p>The Scheme would be subject to approval of the shareholders, lenders/creditors of each of LMW and LMWASIL, BSE, NSE, SEBI, NCLT and other applicable statutory approvals and is expected to take around 12 months to be consummated, subject to regulatory approvals.</p>

