

MIL
MIL INDUSTRIES LIMITED

25A, SIDCO INDUSTRIAL ESTATE, AMBATTUR, CHENNAI - 600 098. INDIA.



Reg.No. 44 100 094200
Reg.No. 44 100 094200/01

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E-MAIL : mil@milindustries.com, CIN : L25199TN1966PLC005397, GST No: 33AAACM4380Q1Z5

E-mail: secretarial@milindustries.com

Ref: No. 18/2022-23

09.08.2022

The Listing Department
Metropolitan Stock Exchange of India Limited
Building A, Unit 205A, 2nd floor, Piramal Agastya Corporate Park,
Kamani Junction, LBS Road, Kurla (West),
Mumbai - 400070.

(Symbol - MILIND, Series-BE)

Dear Sir/Madam,

Sub: 'Effective Date' of the Scheme of Arrangement between MIL Industries Limited ("MIL") and MIL Industries & Aerospace Limited ("MIAL") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ("Scheme").

Dear Sir/Madam,

In continuation to our communication dated August 2, 2022, we wish to inform you that MIL Industries Limited ("MIL") and MIL Industries & Aerospace Limited ("MIAL") have in terms of Clause 6.8.4. of the Scheme filed the Certified Copy of the NCLT Order, sanctioning the Scheme with the Registrar of Companies August 8, 2022. Accordingly, in terms of the Scheme, the captioned Scheme, effectuating the Demerger of PTFE business (Demerged Undertaking) of MIL into MIAL has become effective from August 8, 2022 with appointed date of April 1, 2022.

Certified True copy of the Order passed by the Hon'ble National Company Law Tribunal, Chennai Bench sanctioning the Scheme, is enclosed herewith for your records.

We request you to take the same on record.

Yours faithfully,
For MIL INDUSTRIES LIMITED

U. Viswanath

U. VISWANATH
COMPANY SECRETARY



Encl: - as above

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH - II, CHENNAI**

(Filed under Sections 230 to 232 of the Companies Act, 2013)

In the matter of Scheme of Arrangement (Demerger)

Between

CP(CAA)/51/(CHE)/2022

in

CA(CAA)/793/(CHE)/2020

MIL INDUSTRIES LIMITED

CIN NO: L25199TN1966PLC005397

No.25A, SIDCO INDUSTRIAL ESTATE,

AMBATTUR, CHENNAI - 600 098

...1st Petitioner/ Demerged Company

Along with

MIL INDUSTRIES & AEROSPACE LIMITED

CIN NO: U74999TN2018PLC122159

No.25A, SIDCO INDUSTRIAL ESTATE,

AMBATTUR, CHENNAI - 600 098

... 2nd Petitioner/Resulting Company

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

CORAM

**Justice (Retd) S.RAMATHILAGAM, MEMBER (JUDICIAL)
SAMEER KAKAR, MEMBER (TECHNICAL)**

CORRIGENDUM

In the order dated 22.07.2022, certain inadvertent typographical error had crept in and as such in exercise of powers conferred under Rule 154 of the National Company Law Tribunal Rules, 2016, the Order dated 22.07.2022 is rectified as under :

In Paras 3.2 and 3.3 of page 3, the following lines shall be read as follows

3.2. Based on such application moved under Sections 230-232 of the Companies Act, 2013; directions were issued by this



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Tribunal, vide order dated 17.11.2021, to convene the meetings of the Equity Shareholders and Unsecured Creditors of the Demerged Company on 23.12.2021 at No.25A, SIDCO Industrial Estate, Ambattur, Chennai - 600098 at 11:00 AM & 12:00 Noon respectively Accordingly, the Tribunal has appointed Mr. Balu Sridhar, PCS as Chairperson and Ms. Nithya Pasupathy, PCS as Scrutinizer for the said meetings. Subsequent to the said order, in the application preferred by the Applicant in MA(CA)/98(CHE)/2021, this Tribunal had altered the date of the above-said meetings from 23.12.2021 to 15.03.2022, vide order dated 20.01.2022. Thereafter, the Demerged Company has filed the present Petition before this Tribunal on 23.03.2022 for sanction of the Scheme of Arrangement by this Tribunal.

3.3 The Chairman submitted his Report on the above said meetings held on 15.03.2022. From the Chairman's Report, it is observed that the Equity Shareholders, Unsecured Creditors of the Demerged Company had consented in favour of the Scheme. The said Chairman's report is also annexed at "Annexure 3 and Annexure 4" to the typed set filed along with the Petition."



-Sd-
SAMEER KAKAR
MEMBER (TECHNICAL)

-Sd-
Justice (Retd) S.RAMATHILAGAM
MEMBER (JUDICIAL)

DATED AT CHENNAI ON THIS 28TH DAY OF JULY 2022.

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - II, CHENNAI**

(Filed under Sections 230 to 232 of the Companies Act, 2013)

In the matter of Scheme of Arrangement (Demerger)

Between

CP(CAA)/51/(CHE)/2022 in CA(CAA)/793/(CHE)/2020

MIL INDUSTRIES LIMITED

CIN NO: L25199TN1966PLC005397

No.25A, SIDCO INDUSTRIAL ESTATE,

AMBATTUR, CHENNAI - 600 098

...1st Petitioner/ Demerged Company

Along with

MIL INDUSTRIES & AEROSPACE LIMITED

CIN NO: U74999TN2018PLC122159

No.25A, SIDCO INDUSTRIAL ESTATE,

AMBATTUR, CHENNAI - 600 098

... 2nd Petitioner/Resulting Company

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Order Pronounced on 22nd July 2022

CORAM

**Justice (Retd) S.RAMATHILAGAM, MEMBER (JUDICIAL)
SAMEER KAKAR, MEMBER (TECHNICAL)**

*For Applicant(s) : Mr.E.Ompraksah Sr. Advocate,
Mr.G.V.Mohan Kumar, Advocate*

COMMON ORDER

Per: Justice (Retd) S.RAMATHILAGAM, MEMBER (JUDICIAL)

Under consideration Joint Company Petition filed by the
Petitioner Companies above named for the purpose of the approval
of the Scheme of Arrangement, as contemplated between the



Petitioner Companies viz. **MIL INDUSTRIES LIMITED** (for brevity "Demerged Company") and **MIL INDUSTRIES & AEROSPACE LIMITED** (for brevity "Resulting Company") and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter 'the Act') read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (hereinafter 'the Rules') pursuant to the Scheme of Arrangement (hereinafter the 'SCHEME') proposed between the Companies and the said Scheme is also annexed at "**Annexure -5**" to the typed set filed along with the application in CP/CAA/51/CHE/2022.

2. The Registered office address of the Demerged Company is situated at Chennai, Tamil Nadu and falls within the jurisdiction of NCLT Chennai Bench. The Demerged Company had filed a company application bearing CA/CAA/793/CHE/2020, before the NCLT, Chennai Bench and directions were issued vide order dated 17.11.2021.

3. **1ST MOTION APPLICATION – IN BRIEF**

3.1. The Demerged Company had filed its First Motion Application vide CA/CAA/793/CHE/2020, seeking directions for conducting or convening of meeting of the Equity Shareholders and Unsecured Creditors of the Demerged Company and seeking dispensation of meeting of the



Secured Creditors of Demerged Company and seeking Dispensation of the meeting of the Equity Shareholders and Unsecured Creditors of the Resulting Company and the same was ordered by this Tribunal dated 17.11.2021.

3.2. Based on such application moved under Sections 230-232 of the Companies Act, 2013; directions were issued by this Tribunal, vide order dated 17.11.2021, to convene the meetings of the Equity Shareholders and Unsecured Creditors of the Demerged Company on 23.12.2021 at No.25A, SIDCO Industrial Estate, Ambattur, Chennai - 600098 at 11:00 AM & 12:00 Noon respectively Accordingly, the Tribunal has appointed Mr. Balu Sridhar, PCS as Chairperson and Ms. Nithya Pasupathy, PCS as Scrutinizer for the said meetings. Subsequent to the said order, the Demerged Company has filed the present Petition before this Tribunal on 23.03.2022 for sanction of the Scheme of Arrangement by this Tribunal.

3.3 The Chairman submitted his Report on the above said meetings held on 23.12.2021. From the Chairman's Report, it is observed that the Equity Shareholders, Unsecured Creditors of the Demerged Company had consented in favour of the Scheme. The said Chairman's report is also annexed at "Annexure 3 and Annexure 4" to the typed set filed along with the Petition.





4. RATIONALE OF THE SCHEME

The Rationale and benefits of the Scheme as submitted by the Learned Counsel for the Petitioner Companies would *inter alia* result in the following benefit;

- a) The proposed segregation will create enhanced value to the shareholders and creditors and allow a focussed strategy in operations, which would be in the best interest of all the stakeholders. The arrangement proposed by this Scheme will enable investors to hold investments in businesses with different characteristics, thereby enabling them to select investments which best suit their investment strategies and risk policies.
- b) The nature of risk and competition involved in each of businesses run by the Demerged Company is distinct from each other and consequently such business or undertaking is capable of attracting different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be handled and managed. This Scheme will enable the Demerged Company and the Resulting Company to manage the businesses efficiently and independently.
- c) The proposed implementation of this Scheme will provide:
 - enhanced strategic flexibility to build a vibrant industrial platform;
 - will provide a dedicated management focus and accelerate the growth of the respective businesses; and



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- access to varied sources of funds for rapid growth of both the businesses
- d) The Scheme would not have any adverse effect on either the shareholders, or the employees or the creditors of both the Companies
- (e) The transfer and vesting of the Demerged Undertaking into the Resulting Company would be in the best interests of both the shareholders of the Demerged Company and the Resulting Company as it would result in enhanced value for the shareholders and allow focussed strategy in the operation of the Demerged Undertaking and the remaining business of the Demerged Company. Pursuant to the Scheme all the Shareholders of the Demerged Company will get shares in the Resulting Company and there would be no change in the economic interest of any of the shareholders of the Demerged Company pre and post implementation of the Scheme.

5. In the second motion application filed by the Petitioner Companies, this Tribunal vide order dated 02.05.2022 has directed the Petitioner Companies to issue notice to the Statutory / Regulatory Authorities viz. (i) Regional Director (Southern Region), (ii) RoC, Chennai, and (iii) the Jurisdictional Income Tax Office having Jurisdiction and other sectoral regulators, who may govern the working of the respective companies in relation to the Scheme, as well as for paper publication to be made in "Business Standard", English (Chennai Edition) and "Maalai Malar" Tamil (Chennai Edition).




6. In compliance to the said directions issued by this Tribunal, the Petitioner Companies have filed an affidavit of service before the Registry of this Tribunal and a perusal of the same discloses that the Demerged Company has effected paper publication as directed by the Tribunal in "Business Standard" (Chennai Edition) in English and "Maalai Malar" (Chennai Edition) in Tamil on 26.01.2022. It is also seen that notices have been also served to (i) Regional Director (Southern Region) on 17.05.2022, (ii) RoC, Chennai on 17.05.2022, (iii) SEBI on 17.05.2022 (iv) Metropolitan Stock Exchange of India Limited (Mumbai) on 17.05.2022 (v) the Jurisdictional Income Tax Office on 17.05.2022 having Jurisdiction. Pursuant to the service of notice of the petition the following statutory authorities have responded as below;

7. **STATUTORY AUTHORITIES**

7.1. REGIONAL DIRECTOR

The Regional Director, Southern Region (*hereinafter referred to as 'RD'*) to whom the notice was issued in the first motion, has filed his Report before this Tribunal on 13.06.2022 and has stated in para 7 that clause 6.5 of Part 5 of the Scheme provides for the protection of employees of the Demerged Company. All staff and employees of the Demerged Company, in service on the effective date, shall be deemed to have become Permanent employees of the





Resulting Company, with effect from the effective Date without any break in their service and other benefits.

7.2. The RD had further averred in para 3 of the Report wherein it was submitted that as per Clause (ii) of Part 1 of the Scheme, the Appointed Date is 15.11.2019, which is ante- dated beyond a year and is not in accordance with Section 232(6) of the Companies Act, 2013. It is prayed that Hon'ble NCLT, Chennai may direct the applicants to revise the Appointed Date or may determine an Appointed Date, as it thinks fit. It has been further submitted that as per the report of the RoC, Chennai, the Demerged Company and the Resulting Company have filed its statutory returns up to 31.03.2021 and in respect of the Applicant Companies no prosecution filed, no complaints pending and no inspection/ investigation has been conducted. Accordingly, the RD, as recorded in paragraph 12 of the said report, has decided not to make any objection to the scheme.

Thus, after examining the Scheme, except the observations as made in para 3 of the Report, the Regional Director in their Report has stated that they have decided not to make any objection to the Scheme.





7.4. In relation to the objections raised by the RD, it is seen that Applicant Companies has filed a Memo dated 14.07.2022 vide SR No. 4295 stating that the Appointed Date in respect of the Scheme can be fixed as 1st April 2022 instead of 15.11.2019. The said Affidavit filed by the Petitioner Company is taken on record and accordingly the Appointed Date of the Scheme shall be **01.04.2022**.

7.5. Despite notice having been served, there is no representation from the Department of Income Tax and other statutory authorities and this Tribunal in terms of Section 230(5) of the Companies Act, 2013 presumes that the Department of Income Tax does not have any objection to the sanction of the Scheme.

7.6. In Company Petition CAA-284/ND/2018 vide Order dated 12.11.2018, the NCLT New Delhi has made the following observations with regard to the right of the IT Department in the Scheme of Amalgamation,

"taking into consideration the clauses contained in the Scheme in relation to liability to tax and also as insisted upon by the Income Tax and in terms of the decision in RE: Vodafone Essar Gujarat Limited v. Department of Income Tax (2013)353 ITR 222 (Guj) and the same being also affirmed by the Hon'ble Supreme Court and as reported in (2016) 66 taxmann.com.374(SC) from which it is seen that at the time of declining the SLPs





filed by the revenue, however stating to the following effect vide its order dated April 15,2015 that the Department is entitled to take out appropriate proceedings for recovery of any statutory dues from the transferor or transferee or any other person who is liable for payment of such tax dues, the said protection be afforded is granted. With the above observations, the petition stands allowed and the scheme of amalgamation is sanctioned."

8. VALUATION REPORT

8.1. The Learned Counsel for the Petitioner Companies invited the attention of this Tribunal to the Valuation Report obtained from one Vinay Totla, Registered Valuer dated 02.12.2019, and the Copy of the Valuation Report is placed at "Annexure 13" at Page Nos. 278 to 286 of the typed set filed along with the application in CA/CAA/793/CHE/2020.

9. ACCOUNTING TREATMENT

9.1. The Learned Counsel for the Petitioner Companies have stated that the Statutory Auditors of the Petitioner Companies have examined the Scheme and has certified that the Petitioner Companies have complied with proviso to Section 230 (7) / Section 232 (3) and the Accounting Treatment contained in the proposed Scheme of Arrangement is in compliance with the Applicable Indian Accounting




Standards. The Certificates issued by the Statutory Auditors certifying the Accounting Treatment of Applicant Companies is placed at "Annexure 15" to the typed set filed along with the Application in CA/CAA/793/CHE/2020.

10. **OBSERVATIONS OF THIS TRIBUNAL**

10.1. After analyzing the Scheme in detail, this Tribunal is of the considered view that the scheme as contemplated amongst the petitioner companies seems to be *prima facie* beneficial to the Company and will not be in any way detrimental to the interest of the shareholders of the Company. In view of absence of any other objections having been placed on record before this Tribunal and since all the requisite statutory compliances having been fulfilled, this Tribunal sanctions the Scheme of Arrangement appended as **Annexure "5"** along with CP/51/CAA/2022.

10.2. The Learned Counsel for the Petitioner companies submitted that no investigation proceedings are pending against the Demerged Company or Resulting Company under the provisions of the Companies Act, 1956 or the Companies Act, 2013 and no proceedings against the petitioner companies for oppression or mismanagement have been filed before this Hon'ble Tribunal or erstwhile Company Law Board.





10.3. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioners.

10.4. While approving the Scheme as above, it is clarified that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

11. THIS TRIBUNAL DO FURTHER ORDER:

- (i) That all properties, rights and powers of Demerged undertaking be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 232 of the Companies Act, 2013 be transferred to and vested in the Resulting Company for all intents, purposes and interest of the Demerged undertaking subject nevertheless to all changes now affecting the same; and





- (ii) That all the liabilities, (if any) and powers, engagements, obligations and duties of the Demerged undertaking shall pursuant to Section 232 (3) of the Companies Act, 2013 without further act or deed be transferred to the Resulting Company and accordingly the same become the liabilities and duties of the Resulting Company ; and
- (iii) That all proceedings now pending by or against the Demerged undertaking shall be continued by or against the Resulting Company; and
- (iv) That all the services of all the employees of the Demerged Company employed in the Demerged undertaking shall stand transferred to the Resulting Company on the same terms and conditions at which these employees are engaged by the Demerged Company without any interruption of service as a result of the transfer; and
- (v) That the Resulting Company do without further application allot to such members of the Demerged Company, as have not given such notice of dissent, as is required by Clause 4 of Part 4 of the SCHEME herein the shares in the Resulting Company to which they are entitled under the said SCHEME.
- (vi) That the Resulting Company shall file the revised Memorandum and Articles of Association with the concerned Registrar of Companies and further make the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the





Resulting Company after setting off the fees paid by the Demerged Company.

(vii) That the Appointed date for the Scheme shall be **01.04.2022.**

(viii) That the Petitioner Companies, shall within thirty days of the date of the receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Demerged undertaking shall be deemed to be transferred; and

(ix) That any person interested in the Scheme, shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary;

12. Accordingly, the Company Petition stands **allowed** on the aforementioned terms.

Certified to be True Copy

SAMEER KAKAR
MEMBER (TECHNICAL)

Gopishankar.D

Justice (Retd) S.RAMATHILAGAM
MEMBER (JUDICIAL)

K. N. S. F. 3/8/2022
DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600001

of the

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SCHEME OF ARRANGEMENT
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

BETWEEN
MIL INDUSTRIES LIMITED
AND
MIL INDUSTRIES & AEROSPACE LIMITED
AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

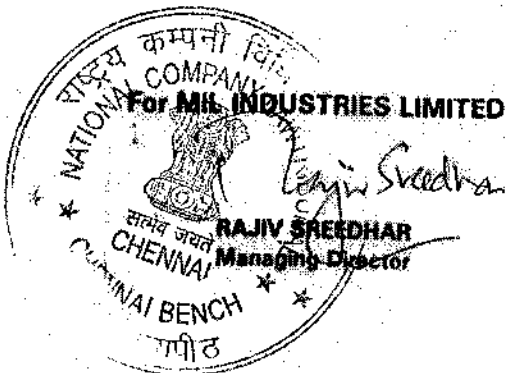
A. PREAMBLE

This Scheme of Arrangement is presented pursuant to the provisions of sections 230 to 232 of the Companies Act, 2013 as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force), on a going concern basis for the demerger and vesting of the PTFE Related Business ("**Demerged Undertaking**") of MIL INDUSTRIES LIMITED into MIL INDUSTRIES & AEROSPACE LIMITED ("**Resulting Company**").

B. Background of the Companies

MIL INDUSTRIES LIMITED, the Demerged Company, is a public limited Company incorporated under the Companies Act, 1956. It is listed on the Metropolitan Stock Exchange of India Limited ("**MSEI**"). The Demerged Company is engaged in the business of anti corrosive lining of plant and machinery used in heavy chemical and other specified industries. The anti corrosive lining is being carried out using rubber and Poly Tetra Fluoro Ethylene (PTFE). The Corporate Identity Number of the Company is L25199TN1966PLC005397. The Registered Office of the Demerged Company is situated at No.25A SIDCO Industrial Estate, Ambattur, Chennai 600098.

MIL INDUSTRIES & AEROSPACE LIMITED, the Resulting Company, is a public limited company incorporated under the Companies Act, 2013. The Corporate Identity Number of the Company is U74999TN2018PLC122159 The Company is formed for the purpose of carry on anti corrosive lining of equipment using PTFE and other related activities such as aerospace industry components and other specialised products. The Registered Office of the Company is situated at 25A, SIDCO Industrial Estate, Ambattur Chennai 600098.

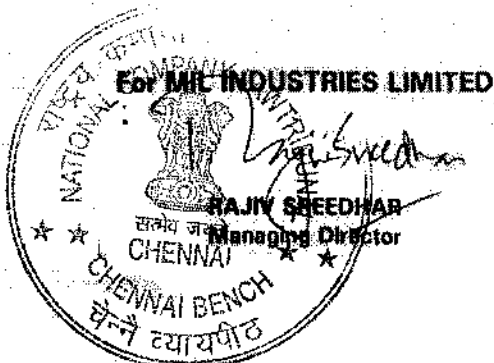


For MIL INDUSTRIES & AEROSPACE LIMITED
RAJIV SREEDHAR
DIRECTOR

MIL Industries Limited, the Demerged Company, has on 12th November 2019 acquired the entire issued share capital of MIL Industries & Aerospace Limited, the Resulting Company, and on the Appointed Date, the Resulting Company is a wholly owned subsidiary of the Demerged Company.

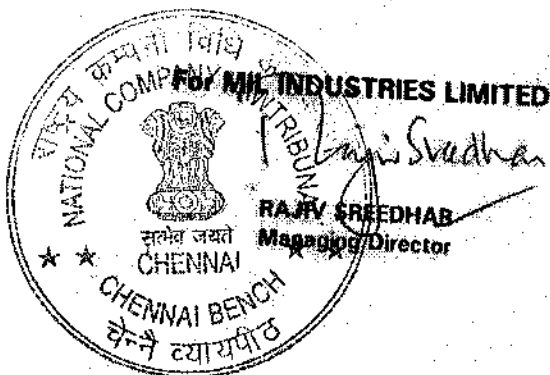
C. Rationale for the Scheme

- (i) The Scheme provides for the transfer by way of demerger, of the PTFE Related Business ("Demerged Undertaking") of the Demerged Company to the Resulting Company, the consequent issue of shares by the Resulting Company to the shareholders of the Demerged Company on a proportionate basis in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company and the cancellation of the Shares held by the Demerged Company in the Resulting Company as an integral part of the Scheme.
- (ii) The implementation of this Scheme is likely to result in the following benefits:
- (a) The proposed segregation will create enhanced value to the shareholders and creditors and allow a focussed strategy in operations, which would be in the best interest of all the stakeholders. The arrangement proposed by this Scheme will enable investors to hold investments in businesses with different characteristics, thereby enabling them to select investments which best suit their investment strategies and risk policies.
- (b) The nature of risk and competition involved in each of businesses run by the Demerged Company is distinct from each other and consequently such business or undertaking is capable of attracting different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be handled and managed. This Scheme will enable the Demerged Company and the Resulting Company to manage the businesses efficiently and independently.
- (c) The proposed implementation of this Scheme will provide:
- enhanced strategic flexibility to build a vibrant industrial platform;
 - will provide a dedicated management focus and accelerate the growth of the respective businesses; and
 - access to varied sources of funds for rapid growth of both the businesses.



For MIL INDUSTRIES & AEROSPACE LIMITED
RAJIV SREEDHAR
DIRECTOR

- (d) The Scheme would not have any adverse effect on either the shareholders, or the employees or the creditors of both the Companies
- (e) The transfer and vesting of the Demerged Undertaking into the Resulting Company would be in the best interests of both the shareholders of the Demerged Company and the Resulting Company as it would result in enhanced value for the shareholders and allow focussed strategy in the operation of the Demerged Undertaking and the remaining business of the Demerged Company. Pursuant to the Scheme all the Shareholders of the Demerged Company will get shares in the Resulting Company and there would be no change in the economic interest of any of the shareholders of the Demerged Company pre and post implementation of the Scheme.
- (ii) The demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall comply with the provisions of section 2(19AA) of the Income tax Act, 1961, such that:
- (a) All the properties and assets of the Demerged Undertaking being transferred by the Demerged Company belonging to the Demerged Undertaking as on the Appointed Date will become the properties and assets of the Resulting Company.
- (b) All liabilities relating to the Demerged Undertaking as on the Appointed Date shall become the liabilities of the Resulting Company.
- (c) The properties and liabilities relating to the Demerged Undertaking being transferred by the Demerged Company to the Resulting Company shall be transferred to the Resulting Company at values appearing in the books of accounts of the Demerged Company immediately before the demerger.
- (d) The Resulting Company shall issue in consideration of the demerger, its shares to the shareholders of the Demerged Company on a proportionate basis.
- (e) The shareholders holding not less than 3/4ths (three fourths) in value of the shares in the Demerged Company will become the shareholders of the Resulting Company by virtue of the demerger.
- (f) The transfer of the Demerged Undertaking shall be on a going concern basis.



For MII INDUSTRIES & AEROSPACE LIMITED

Rajiv Sreedhar
RAJIV SREEDHAR
DIRECTOR

- (iv) The Scheme shall be in compliance with the applicable guidelines issued by the Securities and Exchange Board of India as may be applicable.

D. GENERAL

This Scheme is divided into following Parts:

PART 1, which deals with definitions and interpretations.

PART 2, which deals with the demerger.

PART 3, which deals with the reorganisation of the Share Capital of the Resulting Company.

PART 4, which deals with the issuance and allotment shares by the Resulting Company.

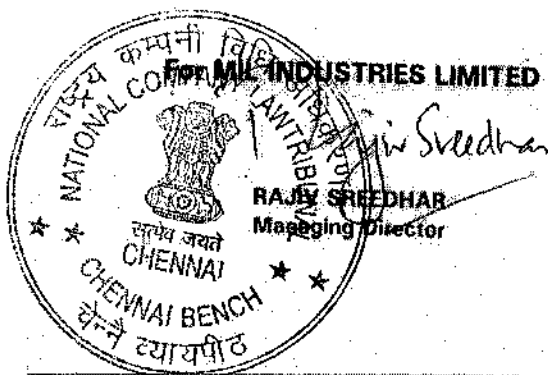
PART 5, which deals with accounting treatment.

PART 6, which deals with general terms and conditions.

PART 1

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein.

- (i) "Act" means the Companies Act 2013, including any statutory modifications, re-enactments or amendments or rules thereof from time to time.
- (ii) "Appointed date" means the date from which this Scheme shall become operative. Viz. 15th November 2019 and/or such other date as the relevant authority under sections 230 to 232 modifies or directs and/or such other date as the Tribunal modifies or directs (if application is made by the Central Government), then the same shall be the Appointed Date.
- (iii) "Board of Directors" or "Board" means the Board of Directors of the Demerged Company or the Resulting Company, as the case may be, and shall include a duly constituted Committee thereof.
- (iv) "Effective Date" means the date on which the Scheme confirmed by the National Company Law Tribunal is filed with the Registrar of Companies, Chennai by the Demerged and Resulting Company.
- (v) "Tribunal" means the National Company Law Tribunal, Chennai ("NCLT") as constituted and authorised as per the provisions of the Companies Act, 2013 for approving any scheme of

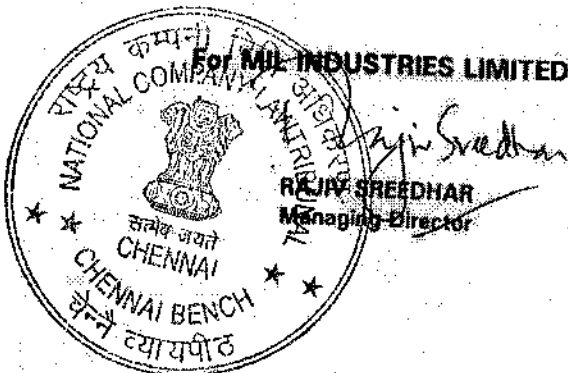


For MIL INDUSTRIES & AEROSPACE LIMITED

RAJIV SREEDHAR
DIRECTOR

arrangement, compromise or reconstruction of companies under the relevant provisions of the Act.

- (vi) "Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.
- (vii) "New Equity Shares" means the equity shares to be issued by the Resulting Company/Transferee Company pursuant to the provisions of Clause 4.
- (viii) "Record Date" means the date to be fixed by the Board of Directors of the Resulting Company for the purpose of determining the names of the equity shareholders of the Demerged Company/Transferor Company, who shall be entitled to receive the New Equity Shares of the Resulting Company/Transferee Company, as the case may be, upon coming into effect of this Scheme.
- (ix) "Scheme of Demerger" or "Scheme" or "The Scheme" or "This Scheme" means this Scheme of Demerger in its present form or with any modification(s) approved or imposed by the Board of Directors of the Demerged Company/Transferor Company or the Resulting Company/Transferee Company or by the shareholders or creditors and/or directed by the Court or any other appropriate authority.
- (x) "Share Exchange Ratio" means the exchange ratio for the equity shareholders of the Demerged Company/Transferor Company as on the Record Date and as provided for in Clause 4.
- (xi) "Demerged Company" or "Transferor Company" means MIL Industries Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 25A SIDCO Industrial Estate, Ambattur, Chennai 600098.
- (xii) "Resulting Company" or the "Transferee Company" means MIL INDUSTRIES & AEROSPACE LIMITED, a company incorporated under the Companies Act, 2013, and having its Registered Office at 25A SIDCO Industrial Estate, Ambattur, Chennai 600098. The Resulting Company's Shares are not listed on any Stock Exchange. However, on the scheme becoming effective and on the allotment of shares by the Resulting Company to the shareholders of the Demerged Company, the shares of the Resulting Company will be listed on the Metropolitan Stock Exchange where the shares of the demerged Company are listed.

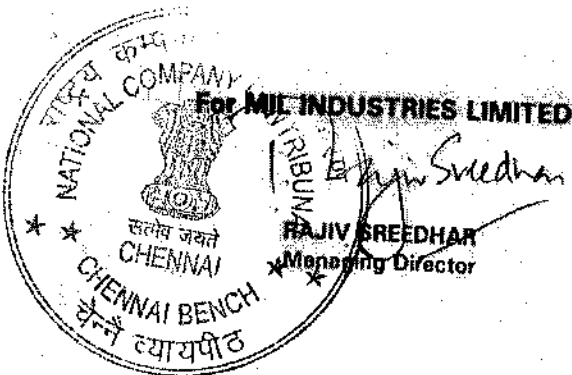


For MIL INDUSTRIES & AEROSPACE LIMITED

Rajiv Sreedhar
RAJIV SREEDHAR
DIRECTOR

(xiii) "Demerged Undertaking" means the entire business and the whole of the PTFE related undertaking of the Demerged Company, as a going concern, all its assets, rights, licenses, approvals and powers and all its debts, outstanding, liabilities, duties, obligations and employees as on the Appointed Date, including but not limited to the following:

- (i) All the assets and properties (Including Immovable – as provided under Schedule A) and all movable, tangible or intangible, real or personal in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Demerged Company in India, Including but not limited to land (whether freehold or leasehold), building, plant and machinery, computers, equipment, sundry debtors, furniture and fixtures, vehicles, office appliances, cash balances, or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases, hire purchase contracts and assets, rights and benefits under any agreement, benefits of any security arrangement or under any guarantees, reversions, powers, bids, tenders, letters of intent, expression of interest, municipal permissions, tenancies, or licenses in relation to office or residential premises, fixed and other assets, software, trade and service names, trade marks, patents, right to use and avail of telephones, facsimile, email and internet, leased line connections, utilities, electricity and other services, reserves, funds benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits) held by or relating to the Transferor Company, employee benefit plans, minimum alternative tax credit entitlements, tax losses, depreciation losses, approvals from appropriate authorities, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession or in the control of or vested in or granted in favour of or enjoyed by the Demerged Company and all other interests of whatsoever nature belonging to or in the ownership, power or possession or the control of the Transferor Company, in India.
- (ii) All debts, secured and unsecured, liabilities including contingent liabilities, duties, taxes of the Demerged Company and all other obligations of whatsoever kind, nature and description, wheresoever and howsoever arising, raised, or incurred or utilised. Provided that if there exists any reference to the security documents or arrangements entered into by the Demerged Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the business of the Transferor Company vested in the Transferee Company by virtue of this Scheme. This Scheme shall



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not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Resulting Company by virtue of this Scheme. The Resulting Company shall not be obliged to create any further or additional security thereof after the Demerger has become effective.

- (iii) All other obligations of whatsoever kind, including liabilities of the Demerged Company with regard to their employees, staff and workmen with respect to payment of gratuity, pension benefits and the provident fund or other compensation benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise.
- (iv) All permanent staff and workmen engaged by the Demerged Company at various locations.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

CAPITAL STRUCTURE

1. The Share Capital of the Demerged Company is as under:

A. Authorised Capital

| | |
|--|----------------|
| 49,00,000 Equity Shares of Rs.10/- each | Rs.4,90,00,000 |
| 1,00,000 Preference Shares of Rs.10/- each | Rs.10,00,000 |
| 2,50,000 Cumulative Preference Shares of Rs.10/- | Rs.25,00,000 |
| Total Authorised Capital | Rs.5,25,00,000 |

B. Issued, Subscribed and Paid up Capital

| | |
|---|----------------|
| 31,50,000 Equity Shares of Rs.10/- each fully paid up | Rs.3,15,00,000 |
|---|----------------|

The Equity Shares of the Demerged Company are listed in the Metropolitan Stock Exchange. The Company is in compliance with the Minimum Public Shareholding on a fully diluted basis.

2. The Share Capital of the Resulting Company is as under:

A. Authorised Capital

| | |
|---|----------------|
| 20,00,000 Equity Shares of Rs.10/- each | Rs.2,00,00,000 |
|---|----------------|

B. Issued, Subscribed and Paid up Capital

| | |
|--|--------------|
| 2,00,000 Equity Shares of Rs.10/- each fully paid up | Rs.20,00,000 |
|--|--------------|



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The entire issued capital of the Resulting Company has been acquired by the Demerged Company on 12th November 2019 and the Resulting Company has become a wholly owned subsidiary of the Demerged Company with effect from that date.

The Equity Shares of the Resulting Company are presently not listed on any Stock Exchange.

PART 2

DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

2. Transfer of Undertaking

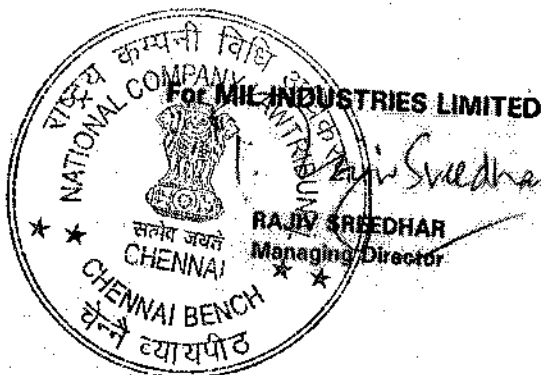
2.1. The PTFE Undertaking (Demerged Undertaking) of the Demerged Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company in the following manner:

(a) With effect from the Appointed Date, the whole of the PTFE Undertaking of the Demerged Company, comprising their entire business, all assets and liabilities of whatsoever nature, and wheresoever situated, including the immovable properties, if any, shall under the provisions of sections 230 to 232 and all other applicable provisions of the Act, without any further act or deed be transferred to and vested in and be deemed to be transferred to and vested in the Resulting Company as a going concern, so as to become, as from the Appointed Date, the Undertaking of the Resulting Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting order passed under the provisions of the Act in respect of this Scheme, the Resulting Company shall at any time pursuant to the Orders of this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal rights upon the vesting of such assets of the Transferee Company in accordance with the provisions of the Act, at the Office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

(b) All movable assets including cash in hand, if any, of the Demerged Undertaking of the Demerged Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Company and the Transferee Company.

(c) In respect of movables other than those specified in clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to

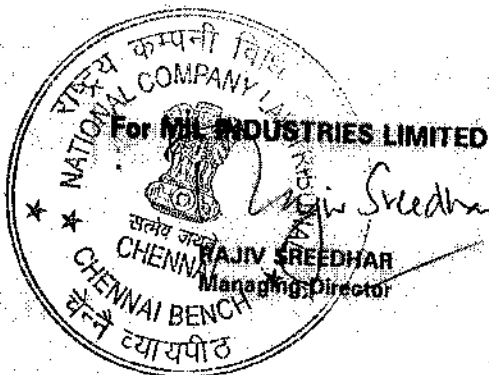


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DIRECTOR

be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities, and bodies, customers and other persons, the following modus operandi for informing third parties shall, to the extent possible, be followed:

- (i) The Resulting Company shall give notice in such form it may deem fit and proper, to each person, debtor, loanee or the depositor of the Transferor Company, as the case may be, that pursuant to the Central Government/Tribunal, as the case may be, having sanctioned this Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto the end and intent that the right of the respective Transferor Company to recover or realise the same stands extinguished and that the appropriate entry should be passed in the books to record the aforesaid change.
 - (ii) The Demerged Company shall also give notice in such form as it deems fit and proper to each person, debtor, loanee, depositor of the Transferor Company that pursuant to the Central Government/Tribunal, as the case may be sanctioning this Scheme, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realise the same stands extinguished.
- (d) In relation to the assets, if any, belonging to the Demerged Undertaking of the Demerged Company, which require separate documents for transfer, the respective Demerged Company and Resulting Company will execute necessary documents, as and when required.
- (e) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of any kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the financial statements of the Demerged Company in relation to the Demerged Undertaking, shall also, under the provisions of the Act, without any further act or deed, be transferred to or deemed to be transferred to the Resulting Company, so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities and obligations of the Resulting Company and 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 such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme. However, the Transferee Company shall, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under law or otherwise execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferor Company shall under the provisions of this Scheme be deemed to be authorised to execute



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any such writings on behalf of the Transferor Company as well as to implement and carry out such formalities and compliances referred to above.

- (f) The transfer and vesting of the Demerged Undertaking of the Demerged Company as aforesaid 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 of the respective Transferor Company.

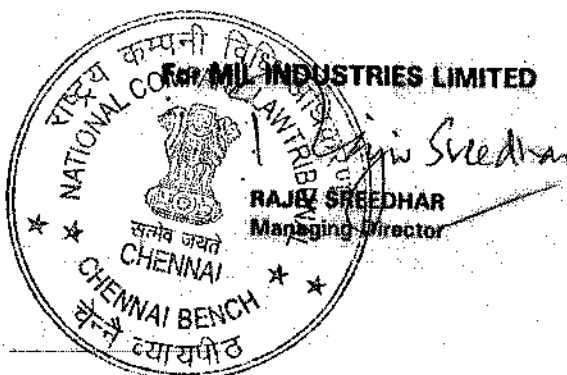
Provided however that any reference in any security documents or arrangements (to which the Demerged Company is a party) pertaining to the assets of the Demerged Undertaking of the Demerged Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid clause, to the extent that, such security, charge and mortgage shall not extend or deemed to extend to any of the other assets of the said Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, charges, mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Demerged Company shall continue with all respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges and mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested with the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan or deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor, after the amalgamation has become effective.

- (g) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licences (including software licenses), accreditations to trade and industrial bodies, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Demerged Undertaking of the Demerged Company, or the benefit of which the Demerged Company may be eligible, or having effect immediately before the Effective Date, shall be, and remain in full force and effect in favour of the Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary thereto.

- (h) In so far as various incentives, subsidies, special status or other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and



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DIRECTOR

availed by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

- (i) The Demerged Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.
- (j) Where any of the liabilities and obligations/assets attributed to the Demerged Company on the Appointed Date has been discharged/sold by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to be have been for and on behalf of the Resulting Company.
- (k) From the Effective Date till such time that the names of the bank accounts in respect of the Demerged Undertaking of the Demerged Company are replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

PART 3

REORGANISATION OF SHARE CAPITAL OF THE RESULTING COMPANY

3. Increase in Authorised Capital of the Resulting Company

3.1. On the Scheme being sanctioned by the National Company Law Tribunal and/or such other authorities as may be required under the Companies Act, 2013 or any other regulations in force, the Authorised Share Capital of the Company shall be increased to Rs.3,50,00,000/- (Rupees three crore fifty lakhs) divided into 35,00,000 (Thirty five lakhs) Equity Shares of Rs.10 each.

The existing Clause V of the Memorandum of Association of the Resulting Company shall be substituted by the following Clause V:

Clause V – The Authorised Share Capital of the Company is Rs.3,50,00,000/- (Rupees three crore fifty lakhs only) divided into 35,00,000 (Thirty five lakhs) Equity Shares of Rs.10/- each with power to increase or reduce its capital and divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, qualified or special rights and privileges as may be determined in accordance with the provisions of the Companies Act, 2013.

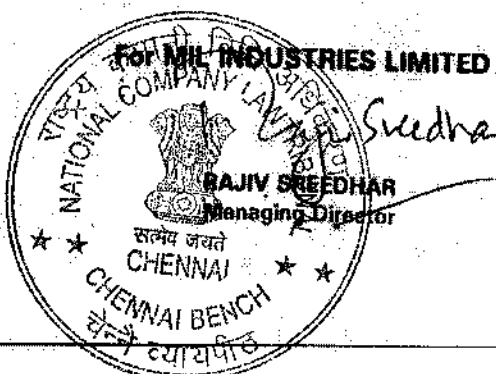
3.2. The approval of the Scheme by the Shareholders of the Resulting Company and the sanction of the NCLT in terms of section 230 to 232 of the Companies Act, 2013 shall be deemed to the compliance with the provisions of the Companies Act, 2013 in respect of increase of Authorised Capital.

PART 4

ISSUE OF SHARES BY THE RESULTING COMPANY

4. ISSUANCE AND ALLOTMENT OF SECURITIES

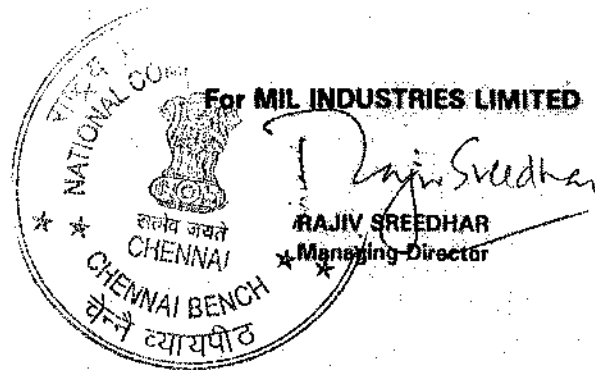
- a. In consideration of the Demerger, including the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall



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issue and allot to each member of the Demerged Company whose names is recorded in the register of members on the Record Date (the "Eligible Members"), One Equity Share of Rs. 10/- (Rupees Ten only) each for one Equity Shares of Rs.10/- each held by the Eligible Members of the Demerged Company on the Record Date.

- b. The Equity Shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and shall rank pari passu inter-se in all respects including dividends declared, voting and other rights. The issue and allotment of Equity Shares of Resulting Company in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.
- c. Unless otherwise determined by the Board of the Demerged Company and the Resulting Company allotment of shares under this Scheme shall be completed within 30 (thirty) days from the date of receipt of the order of the National Company Law Tribunal.
- d. The Scheme shall be presented before the public shareholders for voting through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution in accordance to the relevant circulars issued from time to time by the Securities and Exchange Board of India.
- e. The new Equity Shares to be issued by the Resulting Company, in terms of this Scheme, will be listed and/or admitted to listing on the Metropolitan Stock Exchange, where the shares of the Demerged Company are listed in terms of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations and other applicable regulations. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable laws and regulations for complying with the formalities of the Metropolitan Stock Exchange. On such formalities being fulfilled, the Metropolitan Stock Exchange shall list and/or admit such new equity shares for the purposes of trading.
- f. The Resulting Company shall be in compliance with the Minimum Public Shareholding on fully diluted basis.
- g. The new equity shares allotted pursuant to the scheme shall remain frozen in the depository(ies) system, till listing/trading permission is given by the MSEI.
- h. There shall be no change in the shareholding pattern of the Resulting Company between the record date and the date of listing.



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PART 5
ACCOUNTING TREATMENT

5. ACCOUNTING TREATMENT

5.1. In the Books of the Demerged Company

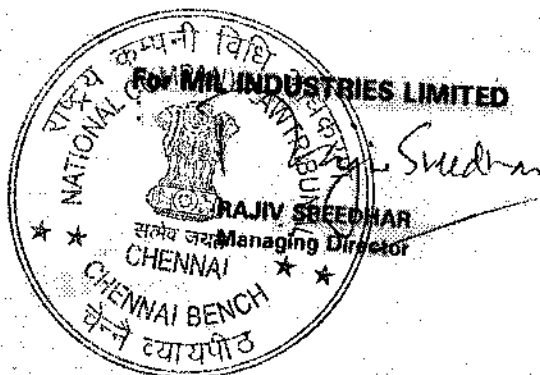
Upon the Scheme becoming effective but from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act, 2013 as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles as amended from time to time as under:

- a) All the assets and liabilities of the Demerged Undertaking shall be reduced at their book values;
- b) The difference between the book value of the assets and the book values of the liabilities of the Demerged Undertaking shall be adjusted against the free reserves of the Demerged Company.
- c) Upon the Scheme becoming effective, the investment of the Demerged Company in the Resulting Company amounting to Rs.20 lakhs shall stand cancelled. Upon such cancellation the Demerged Company shall credit the investments in the Resulting Company and the same shall be adjusted against the free reserves of the Demerged Company.
- d) If considered appropriate for compliance with the prescribed Accounting Standards, the Demerged Company may make suitable adjustment to the accounting treatment and adjust the effect thereof in the manner determined by the Board of Directors of the Demerged Company.

In the books of the Resulting Company

5.2. Upon the Scheme becoming effective but from the Appointed Date Since the transaction involves entities which are controlled by the same party before and after the transaction, the Resulting Company shall account for the demerger of the Demerged Undertaking in the books of account in accordance with the provisions of Ind AS 103 prescribed under section 133 of the Companies Act, 2013 and generally accepted accounting principles, as may be amended from time to time as under:

- (i) The Resulting Company shall record the assets and liabilities of the Demerged Undertaking vested pursuant to this Scheme at the respective book values thereof.
- (ii) The Resulting Company shall credit the Share Capital account with the aggregate value of the new equity shares issued by it to the members of the Demerged Company pursuant to Clause 4 of this Scheme.
- (iii) In respect of cancellation of shares issued by the Resulting Company and held by the Demerged Company the Resulting Company shall debit it to its Equity Share Capital Account with corresponding credit to the Capital Reserve of the Resulting Company.



For MIC INDUSTRIES & AEROSPACE LIMITED

Rajiv Sreedhar
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DIRECTOR

- (iv) The difference between Clause (i) and (ii) above shall be recorded as capital reserve by the Resulting Company.
- (v) If considered appropriate for the purposes of application of uniform accounting policies and method for compliance with applicable Accounting Standards, the Resulting Company may make suitable adjustments and adjust the effect thereof in the manner determined by the Board of Directors of the Resulting Company.
- (vi) Reduction of Share Capital of the Resulting Company
- a) With the Issue and allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company as part of this Scheme, all the shares issued by the Resulting Company and held by the Demerged Company, shall stand cancelled, extinguished and annulled on the Effective Date but from the appointed date as an integral part of the Scheme.
- b) The cancellation as aforesaid, which amounts to reduction of capital of the Resulting Company, shall be effected as an integral part of the Scheme itself in accordance with the provisions of section 66 of the Companies Act, 2013 and the order of the NCLT sanctioning the Scheme shall be deemed to be also the order under section 66 of the Companies Act, 2013 for the purpose of confirming the reduction,
- c) Notwithstanding the reduction as mentioned above, the Resulting Company shall not be required to add "and reduced" as suffix to its name and the resulting Company shall continue with the existing name.

5.3. TAX TREATMENT

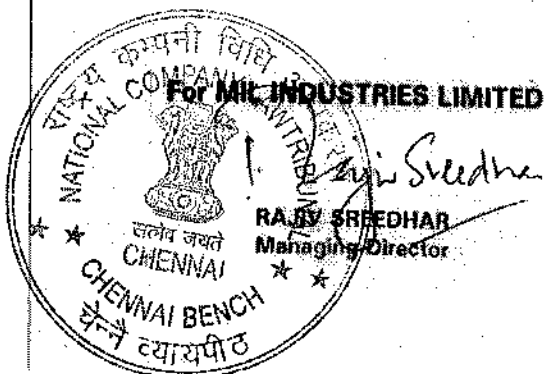
All taxes (including tax, sales tax, excise duty, custom duty, service tax, value added tax etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, value added tax, GST, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly

PART 6

GENERAL TERMS AND CONDITIONS

6.1. CONSEQUENTIAL MATTERS RELATING TO TAX

- 6.1.2. Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Demerged Company from the Appointed Date onwards including all or any



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DIRECTOR

refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, in relation to the Demerged Undertaking, shall, for all purposes, be treated as the tax/cess/ duty, liabilities or refunds, claims, credits and accumulated losses of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, Excise & Cenvat returns, service tax returns, GST returns other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between or amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company.

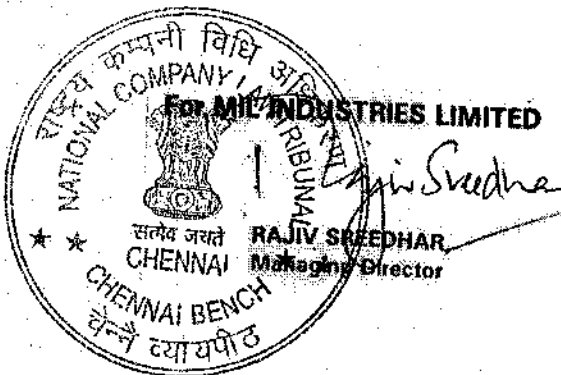
Provided further that upon the Scheme becoming effective, the Demerged Company and the Resulting Company are also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between or amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

6.1.3. In accordance with the Tamil Nadu Value Added Tax Act, 2006, GST Act, as are prevalent on the Effective Date, the unutilized credits, if any, relating to VAT/GST paid on inputs/capital goods lying in the accounts of the Demerged Undertaking shall be permitted to be transferred to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST payable by it.

6.1.4. Upon the Scheme coming into effect, any refunds and/or credits due from any Central/State Government departments, including from Income tax department, Sales Tax department, Central Excise department, Service Tax department etc., as are prevalent on the effective date with respect to the undertakings of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company and the Transferee Company shall be entitled to claim such refunds and/or credits from the respective Central/State Government departments, as if all such refunds and/or credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to all such refunds and credits.

6.2. Conduct of Business until the Effective Date

6.2.1. From the Appointed Date and upto and including the Effective Date (as defined in the clause 1.4) the Demerged Company:



For MIL INDUSTRIES & AEROSPACE LIMITED
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DIRECTOR

- a. Shall, in so far as it is necessary for the implementation of the Scheme, stand possessed of all its properties, assets, liabilities referred to in clause 3 above for and on account of and in trust for the Resulting Company and shall account for the same to the Transferee company and be entitled to be indemnified accordingly:
 - b. All profits or income accruing or arising to the Demerged Company or losses arising or expenditure incurred by it in respect of the Demerged Undertaking shall for all purposes be treated as and be deemed to be treated as the profits or income or losses or expenditure of the Transferee Company, as the case may be.
 - c. All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business after the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
 - d. The Transferor Company shall not make any modification to its capital structure in any manner whatsoever except with written consent of the Transferee Company.
- 6.2.2. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/ State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business of the Demerged Undertaking.
- 6.2.3. From the Date of filing of the Scheme and upto and including the Effective Date (as defined in the clause 1.4) the Demerged Company shall not without the written concurrence of the Resulting Company alienate, charge, or encumber or otherwise deal with any of their properties or assets otherwise than in the ordinary course of business, of the Demerged Undertaking. Nothing in this clause shall, however, affect or derogate from the vesting of the undertaking, properties, rights, powers and assets as provided in Clause 3 hereof.

6.3. LEGAL PROCEEDINGS

- 6.3.1. All legal proceedings of any nature whatsoever by or against the Demerged Company pertaining to the Demerged Undertaking, pending on the Appointed Date shall not abate or be discontinued but the same shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued and enforced by or against the Resulting Company.



For MJI INDUSTRIES LIMITED

RAJIV SREEDHAR
Managing Director

For MJI INDUSTRIES & AEROSPACE LIMITED

RAJIV SREEDHAR
DIRECTOR

6.3.2. After the Appointed Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in sub-clause 5.3.1. above, it shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company.

6.3.3. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company relating to the Demerged Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

6.4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

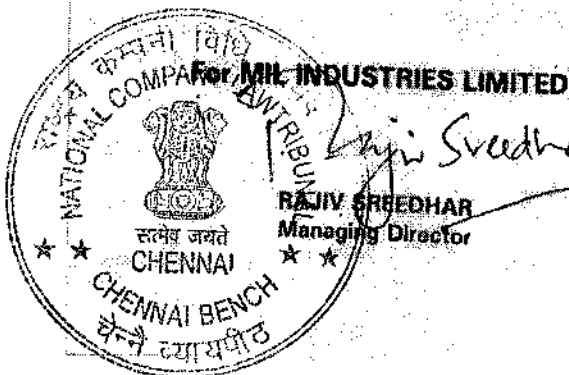
6.4.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, assignments, insurance policies and other instruments of whatsoever nature to which the Demerged Company is a party and subsisting or having effect, against or in favour of the Transferor Company may be enforced by or against the Transferee Company as fully and effectively as if instead of the Demerged Company, the Resulting Company had been a party thereto.

6.4.2. As a consequence of the demerger of the Demerged Undertaking in favour of the Resulting Company, in accordance with this Scheme, the recording of change in name from the Demerged Company to the Resulting Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

6.4.3. The Resulting Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation 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 order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

6.5. EMPLOYEES OF THE TRANSFEROR COMPANY

6.5.1. All the employees of the Demerged Undertaking of the Demerged Company, who are in service on the date immediately preceding the Effective Date shall, unless otherwise desired by any of the employees, become the employees of the Resulting Company on the Effective Date.



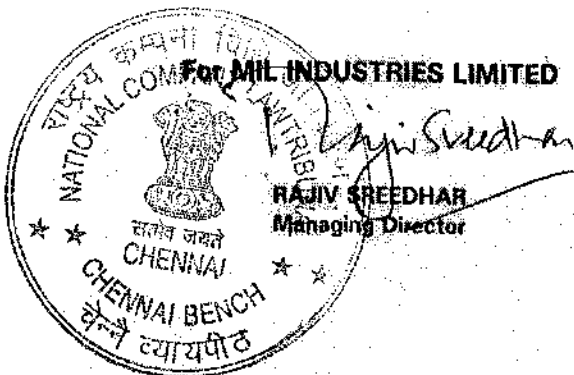
For MIL INDUSTRIES & AEROSPACE LIMITED
Rajiv Sreedhar
RAJIV SREEDHAR
DIRECTOR

6.5.2. On the Scheme finally taking effect as hereinafter provided:

- (a) The employees of the Demerged Undertaking of the Demerged Company shall become the employees of the Resulting Company, without any break or interruption in service and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company as on the Effective Date. Services of all employees with the Demerged Company up to the Effective Date shall be taken into account from the date of their respective appointment with the Demerged Company for purposes of all retirement benefits for which they may be eligible. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account;
- (b) The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Demerged Company;
- (c) It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company are concerned; upon the Scheme becoming finally effective, the Resulting Company shall stand substituted for the Transferor Company in respect of the employees transferred with the Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company shall be entitled to adopt such course in this regards as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

6.6. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against the Demerged Company shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of itself.



For MIL INDUSTRIES & AEROSPACE LIMITED

RAJIV SREEDHAR
DIRECTOR

6.7. MODIFICATION OR AMENDMENTS TO THE SCHEME AND GENERAL TERMS AND CONDITIONS

6.7.1. The Demerged Company and the Resulting Company through their respective Boards of Directors in their full and absolute discretion, may assent to any modification or amendment to the Scheme which the Tribunal, shareholders of the Transferor Company and / or the Transferee Company and / or any other competent authority may deem fit to approve / impose and effect any other modification or amendment which the Boards in the best interests of the Transferor Company or the Transferee Company may consider necessary or desirable and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected there with and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to the Demerged Company and / or the Resulting Company for any reason whatsoever, the Demerged Company and / or Resulting Company shall be at liberty to withdraw from the Scheme at any time.

6.7.2. For the purpose of giving effect to the Scheme or to carry out any modification or amendment thereto, the Boards of Directors of the Demerged Company and the Resulting Company or any Committee thereof is authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question, doubt or difficulty whatsoever that may arise.

6.8. CONDITIONALITY OF THE SCHEME

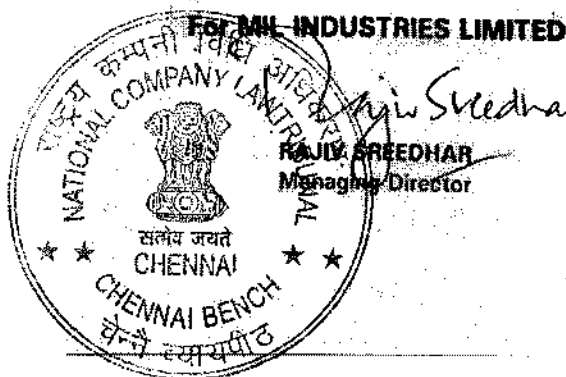
6.8.1. This Scheme is and shall be conditional upon and subject to:

The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

6.8.2. The Scheme being agreed to by the respective requisite majorities of the members/creditors of the Transferor and Transferee Company by way of a meeting or dispensation as provided for under the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India circulars, rules and regulations as may be applicable.

6.8.3. The sanction by the Central Government under section 233 or the Tribunal under section 232 and other applicable provisions of the Act being obtained by the Transferor Company and the Transferee Company.

6.8.4. The filing with the Registrar of Companies ("ROC") of certified copies of the order sanctioning the Scheme by the Demerged Company and the Resulting Company.



For MIL INDUSTRIES & AEROSPACE LIMITED

RAJIV SREEDHAR
DIRECTOR

6.9. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and / or the Scheme not being sanctioned by the Central Government and/or Tribunal and / or the Order or Orders not being passed as aforesaid this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

6.10 COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company and the Resulting Company equally.

SCHEDULE A

IMMOVABLE PROPERTY OF THE DEMERGED UNDERTAKING TO BE VESTED WITH THE RESULTING COMPANY

(1) Factory at Gummidipoondi

All that piece and parcel of land situated at Plot No. F-65 in the SIPCOT Industrial Complex at Gummidipoondi measuring about 1.31 acres situated in Survey No.14 (pt) in Sinthalakuppam Village and Survey No. 264 (pt) in Pappankuppam village and bounded.

On the North by Plot No. B 51

On the South by 18M Road

On the East by Plot No. F 64

On the West by 28M Road

LINEAR MEASUREMENTS:

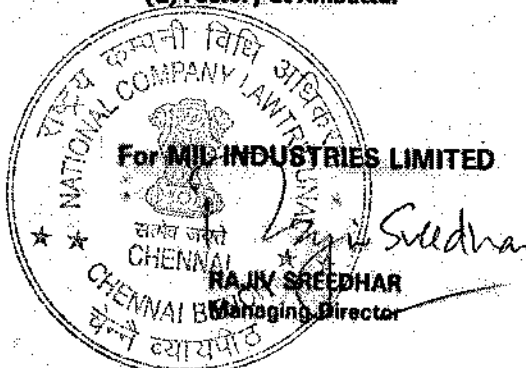
East to West on the North 71.00 M

East to West on the South 80.00 M

North to South on the East 68.00 M

North to South on the West 73.00 M

(2) Factory at Ambattur



For MIL INDUSTRIES & AEROSPACE LIMITED

RAJIV SREEDHAR
DIRECTOR

All that piece and parcel of land bearing Plot No. 25 A/1 at Ambattur Industrial Estate in Ambattur Taluk, Thiruvallur District admeasuring about 1.855 acres (33.661 grounds) comprised in Survey No. 79/part, 80/part, 81/part, 83/part, 84/part, 85/part, 89/part, 90/part and 91/part of Patravakkam Village, bounded on the ---

North by : 503 feet - 11 inch long Railway Line

East by : 182 feet bounded by - SIDCO Shed No. 128 Owned by Switzer Process Instruments Pvt Ltd

South by : 500 feet 11inch (with offset of 41 feet) bounded by-MIL Industries Limited Factory

West by : 164 feet bounded by 120' Road

and buildings on it

AND

(3) Ambattur Office Premises

All that piece and parcel of land bearing Plot No. 25 A/1 /6 at Ambattur Industrial Estate in Ambattur Taluk, Thiruvallur District admeasuring about 6.738 grounds (16171 sq.ft) comprised in Survey No. 79/part, 80/part, 81/part, 83/part, 84/part, 85/part, 89/part, 90/part and 91/part of Patravakkam Village, bounded on the ---

North by : 141 feet bounded by Common Private Road

East by : 119 feet 6 inch bounded by Plot No. 25A /1/5 owned by Rams Engineering Industries

South by : 129 feet bounded by Plots Owned by Akhil Industries and Precision Products

West by : 119 feet 6 inch bounded by MIL Industries Limited Office and buildings on it .

(4) Other Immovable Property

- a) All that piece and parcel of Vacant land comprised in Survey No. 292/10, in MADHARPAKKAM Village, Gummidipoondi Taluk, Thiruvallur District, measuring an extent of 5 Acres or thereabouts, delineated and coloured RED in the PLAN attached herewith, and the said land bounded on the-

North by: Poramboke land

South by: Gummidipoondi to Madharpakkam Road

East by: Property comprised in Survey No. 292/11

West by: Property comprised in Survey No. 292/9

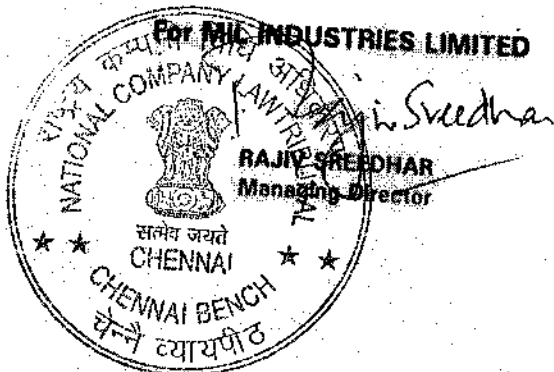
And admeasuring

East to West on the North 211.2 M

East to West on the South 212.6 M

North to South on the East 84.6 M

North to South on the West 100.6 M



For MIL INDUSTRIES & AEROSPACE LIMITED

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DIRECTOR

b) All that piece and parcel of Vacant land 1 ground (2400 Sq. Ft.) (Plot No.35) in Survey No. 15/1, 2, 3, 4, 5, 7, 8 in No. 47, Chenthalakuppam village, Gummidpoondi Taluk, situate within the Sub-Registration District of Gummidipoondi and Revenue District of Thiruvallur bounded on

North by : 24' Road
South by : Park
East by : Vacant Land
West by : Plot No. 36

And admeasuring North to South 60' East to West 40'

c) Office premises with buildings measuring about 328 sq.ft area situated at 514, centre point, R.C. Dutt Road, Alkpuri, Baroda-390005. State of Gujarat

For MIL INDUSTRIES LIMITED

Rajiv Sreedhar
RAJIV SREEDHAR
Managing Director

For MIL INDUSTRIES & AEROSPACE LIMITED

Rajiv Sreedhar
RAJIV SREEDHAR
DIRECTOR

