

MSEI/LIST/2020/252

February 12, 2020

The Company Secretary and Compliance Officer,  
**MIL Industries Limited**  
25A, Industrial Estate,  
Ambattur, Chennai,  
Tamil Nadu 600098

Dear Sir/ Madam,

**Sub.: Observation letter regarding the Draft Scheme of Arrangement between MIL Industries Limited & MIL Industries and Aerospace Limited.**

This is in reference to the draft scheme of arrangement filed by MIL Industries Limited in terms of SEBI Circular No. CFD/DIL/3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated February 07, 2020 has *inter alia* given the following comment(s) on the draft scheme of arrangement:

- *The Company shall ensure that a statement is inserted in the scheme that it is in compliance with Minimum Public Shareholding (MPS) on fully diluted basis.*
- *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the website of the company.*
- *The Company shall duly comply with various provisions of the said circular.*
- *The Company is advised that the observations of SEBI/ Stock Exchange shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- *The Company shall ensure that applicable information pertaining to unlisted company – MIL Industries and Aerospace Limited is included in abridged prospectus as per specified format.*
- *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/ observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under Section 230(5) of the Companies Act, 2013, to SEBI again for its comments/ observation's/ representation's.*

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

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.

- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To comply with various provisions of the said SEBI circulars.

Further, it is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/ observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under Section 230(5) of the Companies Act, 2013, to the Exchange for its comments/ observation's/ representation's.

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

However, the listing of equity shares of MIL Industries and Aerospace Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirement of SEBI Circular No. CFD/DIL/3/CIR/2017/21 dated March 10, 2017. Further, MIL Industries and Aerospace Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchanges' criteria for listing the securities of the aforesaid company and also comply with other applicable statutory requirements. However, the listing of shares of MIL Industries and Aerospace Limited is at the discretion of the Exchange. In addition to the above, the listing of MIL Industries and Aerospace Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about MIL Industries and Aerospace Limited in line with the disclosure requirements.
2. To publish an advertisement in the newspapers containing all the information pertaining to MIL Industries and Aerospace Limited, in line with the details required as per the aforesaid SEBI circular no. CFD/DIL/3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the Company as well as MSE.
3. To disclose all the material information about MIL Industries and Aerospace Limited on a continuous basis as per the applicable law so as to make the same public, in addition to the requirements if any, specified in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Listing Agreement for disclosures about the subsidiaries, if any.
4. The following provisions shall be incorporated in the scheme:
  - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository (ies) system till listing/ trading permission is given by the designated stock exchange.
  - ii. There shall be no change in the shareholding pattern of MIL Industries and Aerospace Limited between the record date and the listing which may affect the status of this Observation Letter.

Further, you are advised to bring the contents of this letter to the notice of the shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Pursuant to Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be Six Months from the date of this Letter, within which the scheme shall be submitted to NCLT.

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

Yours faithfully,

**For Metropolitan Stock Exchange of India Limited**



**Hardik Bhuta**  
Assistant Vice President – Listing