

DCS/AMAL/TL/24(f)/1/2024-25

The Company Secretary  
**MODERN INSULATORS LTD**  
Talheti Village, Karoli, Tehsil,  
Abu Road, Sirohi, Rajasthan, 307510

**Sub: Observation letter regarding the Scheme of Arrangement between Modern Insulators Ltd (MIL) and Modern Polytex Ltd (MPL)**

This is with respect to the application filed by Modern Insulators Ltd for condonation for non-compliance of Clause 24(f) of erstwhile Listing Agreement with respect to the Scheme of Arrangement between Modern Insulators Ltd (MIL) and Modern Polytex Ltd (MPL). The Exchange has taken the note of it and advise the Company to be conscious on the compliances of SEBI LODR Regulations 2015.

Further, the Company can proceed to set the record date for the listing of equity shares of Modern Polytex Ltd (MPL). Please note that in accordance with the NCLT Jaipur Bench Order dated 17.01.2023 the Equity Shareholders of Modern Terry Towels Ltd shall be eligible for the Equity shares of Modern Polytex Limited pursuant to the scheme of arrangement, while MPL be seeking listing on the Exchange.

However, the listing of equity shares of Modern Polytex Ltd (MPL) shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Further, Modern Polytex Ltd (MPL) shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

MPL shall fulfill the Exchange's criteria for listing the securities of such Company and also comply with other applicable statutory requirements. However, the listing of shares of MPL is at the discretion of the Exchange. In addition to the above, the listing of MPL 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 MPL in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the Companies are also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all details of MPL in line with the details required as per the aforesaid SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about MPL on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
  - a) "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - b) "There shall be no change in the shareholding pattern of MPL between the record date and the listing which may affect the status of this approval."

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

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

Yours faithfully,

  
**Manu Thomas**  
Additional General Manager

  
**Tanmayi Lele**  
Assistant Manager