

DCS/AMAL/AC/24(f)/326/2015-16  
March 11, 2016



The Company Secretary  
**AGARWAL INDUSTRIAL CORPORATION LTD**  
Eastern Court, Unit No 201-202, Plot No 12,  
V N Purav Marg, S T Road, Chembur,  
Mumbai, Maharashtra, 400071.

**Sub: Observation letter regarding the Draft Scheme of Arrangement involving amalgamation of Agarwal Petrochem Private Limited with Agarwal Industrial Corporation Limited (AICL).**

We are in receipt of Draft Scheme of Arrangement involving amalgamation of Agarwal Petrochem Private Limited with Agarwal Industrial Corporation Limited (AICL).

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated March 10, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***“With respect to the observation that the promoter shareholding in AICL will increase from 53.34% pre- scheme to 70.29% post scheme, the company may be advised to ensure voting by public shareholders in terms of relevant SEBI Circulars”***
- ***“Company shall duly comply with various provisions of the Circulars.”***

Accordingly, 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 duly comply with various provisions of the circulars.

In 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 Hon'ble High Court.

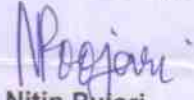
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

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,



**Nitin Pujari**  
**Manager**