

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH AT HYDERABAD**

CA (CAA) No 762/230/HDB/2018

In the matter of the Companies Act, 2013

and

In the matter of Sections 230 to 232 read with
other relevant provisions of the Companies Act,
2013

and

In the matter of Scheme of Arrangement between
M/s. MANGAL INDUSTRIES LIMITED ('Demerged
Company') and M/s. RENGALLA FAMILY PRIVATE
LIMITED ('Resulting Company') and their
respective Shareholders and Creditors

M/s. MANGAL INDUSTRIES LIMITED

a company incorporated under the Companies Act, 1956
having its registered office at Renigunta Cuddapah Road,
Karakambadi, Tirupati, Andhra Pradesh

... 1st Applicant /Demerged Company

**NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF MANGAL
INDUSTRIES LIMITED ('DEMERGED COMPANY')**

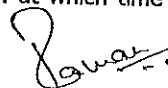
To

The Unsecured Creditors of

M/s. Mangal Industries Limited ('Demerged Company')

TAKE NOTICE that by an order dated 02nd day of August, 2018 the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad has directed that a meeting of Unsecured Creditors of M/s. Mangal Industries Limited ('Demerged Company'), be held at its Registered office at Renigunta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517 520 on Saturday, 15th day of September, 2018 at 4:00 P.M. for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Arrangement between M/s. Mangal Industries Limited ('Demerged Company') and M/s. RENGALLA Family Private Limited ('Resulting Company') and their respective shareholders and Creditors ("Scheme").

Take further notice that in pursuance of the said order and as directed therein, a meeting of the unsecured creditors of M/s Mangal Industries Limited ('Demerged Company') will be held at its Registered office situated at Renigunta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517 520 on Saturday, 15th day of September, 2018 at 4:00 P.M. at which time and place you are



requested to attend to consider and if thought fit, to approve with or without modification(s) the following resolution:

"RESOLVED that pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**"), the rules and regulations made thereunder (including any statutory modifications or re-enactment thereof for time being in force) and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Hyderabad Bench (the "**Tribunal**") and such other authorities (as may be applicable), and such other approvals, permissions and/or exemptions as may be required as per applicable law, the scheme of arrangement between M/s. Mangal Industries Limited (Demerged Company") and M/s. RNgalla Family Private Limited (Resulting Company") and their respective shareholders and Creditors (the "**Scheme**") as per the terms and conditions mentioned in the Scheme placed before this meeting and initialed by the Chairman of the meeting for the purposes of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company (the "**Board**") be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

Take further notice that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form duly signed by you or your authorized representative is deposited at the Registered Office of the Demerged Company situated at Renigunta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh – 517 520, not later than 48 hours before the commencement of the meeting.

The Hon'ble National Company Law Tribunal, Hyderabad Bench has appointed Sri K. V. Raman, Advocate as the Chairman of the aforesaid meeting.

A copy of the Scheme, the statement under Sections 230, 232 & 102 and other applicable provisions of the Companies Act, 2013 and Rules framed there under, Form of Proxy, attendance slip etc are enclosed herewith. This notice convening meeting of the Unsecured Creditors of the Demerged Company along with aforesaid documents are placed on the website of the Company i.e www.mangalltd.com



Sri. K V Raman

Advocate

Chairman appointed

for the Unsecured Creditors Meeting

Address: 401, Ramakrishna Residency

H.No. 6-3-609-150/A, Anand Nagar Colony

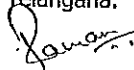
Khairatabad, Hyderabad -500004

Date: 09/08/2018

Place: Hyderabad

Notes:

1. An unsecured creditor entitled to attend and vote at the meeting is entitled to appoint proxy or proxies to attend and vote instead of himself/herself on a poll only and such proxy need not be a creditor of the demerged company. The proxy form in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. Any alteration made in the proxy form shall be initialed.
3. Only unsecured creditors of the Demerged Company may attend and vote (either in person or by Proxy or by Authorised Representative under Sections 112 and 113 and other applicable provisions of the Companies Act, 2013 at the meeting. The Authorised Representative of a Body Corporate which is an unsecured creditor of the Demerged Company may attend and vote at the meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the Body Corporate under Section 113 of the Companies Act, 2013 authorizing such representative to attend and vote at the meeting is deposited at the Registered Office of the Applicant Company not later than 48 (forty eight) hours before the commencement of the meeting.
4. The quorum of the meeting of the unsecured creditors of the Demerged Company shall be 10 (Ten) Unsecured Creditors of the Demerged Company, present in person as per the order passed by the National Company Law Tribunal, Hyderabad bench at Hyderabad.
5. The form of proxy can be obtained free of charge from the registered office of the Demerged Company.
6. The unsecured creditors and/or their proxies are requested to bring the attendance slip duly completed and signed for attending the meeting.
7. The Notice, together with the documents accompanying the same, is being sent to the unsecured creditors by ordinary post. The Notice will be displayed on the website of the Demerged Company i.e www.mangalltd.com.
8. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors at the registered office of the Demerged Company between 10:00 a.m. and 12:00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.
9. The notice convening the aforesaid meeting will be published in the English and Regional Language Newspapers.
10. The route map to the venue of the meeting is furnished herewith and forms part of the Notice.
11. Pursuant to section 232(2) of the Companies Act, 2013, the following information is being circulated for the meeting:
 - (a) the proposed Scheme of Arrangement adopted by the directors of the said company is enclosed as **Exhibit 1** to this notice;
 - (b) a copy of the proposed Scheme of Arrangement has been filed by the company with the Registrar of Companies, Andhra Pradesh and Telangana.



**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH AT HYDERABAD
CA (CAA) No 762/230/HDB/2018**

In the matter of the Companies Act, 2013
and
In the matter of Sections 230 to 232 read with
other relevant provisions of the Companies Act,
2013
and
In the matter of Scheme of Arrangement between
M/s. MANGAL INDUSTRIES LIMITED ('Demerged
Company') and M/s. RENGALLA FAMILY PRIVATE
LIMITED ('Resulting Company') and their
respective Shareholders and Creditors

M/s. MANGAL INDUSTRIES LIMITED
a company incorporated under the Companies Act, 1956
having its registered office at Renigunta Cuddapah Road,
Karakambadi, Tirupati, Andhra Pradesh

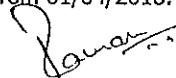
... 1st Applicant /Demerged Company

**EXPLANATORY STATEMENT UNDER SECTIONS 230,232 AND 102
OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER**

In this statement, M/s. Mangal Industries Limited is referred to as the "1st Applicant Company" or "Demerged Company" and M/s. RENGALLA Family Private Limited is referred to as the "2nd Applicant Company" or "Resulting Company". The other definitions contained in the enclosed Scheme of Arrangement ("Scheme") will apply to this Explanatory Statement.

The following statement as required under Sections 230, 232 and Section 102 of the Companies Act, 2013, sets forth the details of the Scheme, its effects and any material interests of the directors and key managerial personnel in their capacity as members.

1. This is a statement accompanying the Notice convening the meeting of the unsecured creditors of the Demerged Company, Pursuant to the order dated 02nd day of August, 2018 passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad in C.A(CAA) No. 762/230/HDB/2018 to be held on Saturday, 15th day of September 2018 at 4:00 P.M at the Registered office of the Company situated at Renigunta-Cuddapah Road, Karakambadi, Tirupati-517520 for the purpose of considering and, if thought fit, approving with or without modifications, the Scheme of Arrangement between M/s. Mangal Industries Limited (Demerged Company) and M/s. RENGALLA Family Private Limited (Resulting Company) and their respective shareholders and Creditors with effect from 01/04/2018.



Background of the Companies involved in the Scheme are as under:

2. Mangal Industries Limited (Demerged Company)

- 2.1 M/s. Mangal Industries Limited (CIN: U15122AP1990PLC011932), a public limited Company(hereinafter referred to as "1stApplicant/ Demerged Company") was originally incorporated on 09th Day of November, 1990 under the Companies Act, 1956 under the name and style of Harsha Electronics Private Limited in the then State of Andhra Pradesh and changed its name to Mangal Precision Products Private Limited after obtaining prior approval of the Central Government vide letter No.RAP/Sec.17/11932/2004 dated 21-10-2004 and subsequently after passing necessary resolution under the provisions of the Companies Act, 1956 converted into Public Limited company on 19th day of March -2009 and changed its name to Mangal Precision Products Limited. Later on the Demerged Company has change its name to Mangal Industries Limited and a fresh Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Andhra Pradesh on 30th day of July, 2012. The permanent account number of the Demerged Company isAADCM5441K. The Email id of the Demerged Company is prkr@amararaja.co.in.
- 2.2 The Registered Office of the Demerged Company is situated at Renigunta- Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh – 517 520. There is no change in the registered office of the Company during thelast five years.
- 2.3 M/s. Mangal Industries Limited, ("1st Applicant / Demerged Company") is primarily engaged in the business of manufacturers, producers, assemblers, dealers, importers, exporters, stockists, distributors, agents or otherwise deal in storage batteries used in industries, railways, Posts & Telegraphs, navigation etc. The main objects are set out in the Memorandum of Association. They are briefly as under:
- (i) To carry on the business of manufacturers, producers, assemblers, dealers, importers, exporters, stockists, distributors, agents or otherwise deal in storage batteries used in industries, railways, posts and telegraphs, navigation, ships, army tanks, mining, power plants, automobiles and for any other industrial, commercial or domestic purpose.
 - (ii) To carry on the business of manufactures, producers, assemblers, dealers, importers, exporters, stockists, distributors, agents or otherwise deal in manufacture of dry batteries, button batteries, battery plates, battery separators, battery containers, coils, lids and battery components.
 - (iii) To carry on the business of manufactures, producers, assemblers, dealers, importers, exporters, stockists, distributors, agents or otherwise deal in manufacture of items such as voltage regulators, laminations for transformers, U.P.S systems, chargers, invertors and other related electrical equipments, sheet metal combiners for storage and office equipment, lead and plastic parts for storage batteries, galvanization of metal parts.

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- (iv) To carry on the business of manufacturer of items containing battery as main component like Trickle Chargers, Battery Chargers, Emergency Lighting Systems, Uninterruptible Power Systems and all other Electronic Systems and Components.

The changes in the objects clause of the Demerged Company during the last five years are as follows:

The demerged company amended the object clause by adding following clause III(A) 14 to 16 vide special resolution passed at the Extra-ordinary General Meeting of the demerged Company held on May 7, 2015.

- (i) To manufacture, sell, purchase, import , export , service, deal in intermediaries, Chemicals, Pigments, dyestuffs, paints, sprays, coats, films, varnishes, solvents, colours their derivatives, by-products, co-products and intermediaries thereof, compounds and chemical preparations, industrial, agricultural, medical, pharmaceuticals or otherwise, specifically protect from the solar heat and to act as their application providers. To carry on business as manufacturers, producers, prepares, processors of an dealers in construction chemicals, proofing chemicals, and to produce, refine, process, formulate mix or prepare, mine or otherwise acquire, invest in, own, hold, use, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade, deal in and deal with, import and export, any and all kinds of chemicals and other raw materials which are necessary for the manufacture of chemicals, mixtures and formulations and any and all classes and kinds of chemicals, raw materials, source materials, ingredients, mixtures, derivatives, compounds and accessories thereof and waterproofing applications, construction applications and construction renovation chemicals and application and specifically protects from the solar heat and to act as their application providers.
- (ii) To carry on in India or elsewhere the business to design, develop, manufacture, fabricate, convert, remodel, test, validate, display, supply, service, turn to account and to act as manufacturer, contractor, jobworker, dealer, trader, importer, exporter, broker, collaborator, consignor, agent or otherwise to deal in all specifications, capacities, shapes, sizes, varieties, colours, manufacturing of pumps, valves, kitchenware, sanitary ware, handles, laminations, Electrical appliances for T.V.(television) Cabinets, light and heavy automobile parts, electrical items, electrical candles, Computer parts, plastic furniture, vacuum flasks, woven sacks, polyethylene lined bags, pipes, bins, pallets, spray gun handles, monofilaments, films, bags, furnitures, containers, trays, fittings, home appliances, gift articles, sheets, packaging materials, components, accessories, sub-assemblies, industrial components, moulds, tools, punches, jigs and fixtures required for and used in injection moulding, blow moulding, compounding, sheet metal, processing, forging, die casting and other allied and auxiliary products made out of plastics through extrusion process, injection moulding, blow moulding, compounding, compressor moulding, vacuum forming, recycling, welding and machining, whether made of Plastic materials, PE(Poly Ethylene), PP (Poly Propylene) ,PPCP(Poly Propylene Copolymer), HDPE(High density poly ethylene), LLDPE(Linear Low Density Poly ethylene), PVC (Poly vinyl chloride), HDPE(High density poly ethylene), PC (Poly carbonate), ABS (Acrylo Nitrile Buta Diene styrene) , PCPBT (Poly carbonate and poly butylenes terephthalate), Nylon,

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engineering alloys, polymers, co-polymers, cellulosic plastic, and other allied materials with or without combinations of other rubber, ferrous or non-ferrous materials and to acquire engineering know-how, layouts, blue prints, technical and managerial information, operating data, manufacturing and to acquire or grant or licence and other rights and benefits in the forgoing matter and things and to render any kind of management and consultancy services

- (iii) To carry on the business of manufacturing, customized development, trading and maintenance of various kinds of packaging, material handling, conveying and other industrial machines.

- 2.4 The authorized, issued, subscribed and paid-up share capital of the Demerged Company as on 31st March, 2018 is as under:

Share Capital	Amount (In Rs.)
Authorized Share Capital	
1,50,00,000 Equity shares of Rs. 10 each	15,00,00,000
TOTAL	15,00,00,000
Issued, subscribed and paid-up Share Capital	
1,39,03,877 Equity shares of Rs. 10 each fully paid up	13,90,38,770
TOTAL	13,90,38,770

- 2.5 The equity shares of the Demerged Company are not listed on any stock exchanges.

- 2.6 The Demerged Company closes its financial every year on 31st March. The audited financial statements of the Demerged Company as on 31st March, 2017 is as under:

Particulars	Amount in INR
EQUITY AND LIABILITIES	
Shareholder's Funds	
Share Capital	139,466,300
Reserves and Surplus	2,160,401,290
	2,299,867,590
Non-current Liabilities	
Long Term borrowings	1,178,637,236
Deferred tax liabilities(net)	291,777,122
Long Term borrowings	28,515,530
	1,498,929,888
Current Liabilities	
Short Term borrowings	911,166,251
Trade payables	
Dues to Micro and small enterprises	22,687,454
Dues to others	458,290,724
Other current liabilities	810,164,631
Short-term provisions	2,862,470

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	2,205,171,530
TOTAL	6,003,969,008
ASSETS	
Non-current assets	
Fixed assets	
Tangible assets	3,576,156,432
Intangible assets	3,706,710
Capital work in progress	266,971,507
	3,846,834,649
Non-Current Investments	13,625,725
Long term loans and advances	23,128,380
Other non-current assets	473,628
	37,227,733
Current Assets	
Inventories	888,387,295
Trade receivables	815,846,735
Cash and bank balance	15,508,921
Short term loans and advances	381,124,821
Other Current Assets	19,038,854
	2,119,906,626
Total	6,003,969,008

3. **M/s. RNGalla Family Private Limited (2nd Applicant/Resulting Company)**

- 3.1 M/s. RNGalla Family Private Limited (CIN U15490AP2017PTC106255), a private limited Company (hereinafter referred to as "2nd Applicant / Resulting Company") was incorporated on 11th day of July, 2017 under the Companies Act, 2013, in the State of Andhra Pradesh. The permanent Account Number of the Resulting Company is AAICR4115N. The email id of the Resulting Company is isprkr@amararaja.co.in.
- 3.2 The Registered Office of the 2nd Applicant/Resulting Company is situated at Sy.No.692/1, 693/2, 693/3 and 694/2, Karakmabadi Village and Post, Renigunta Mandal, Tirupati, Chittoor, Andhra Pradesh – 517520, A.P. There is no change in the Registered Office of the Resulting Company since its incorporation.
- 3.3 M/s. RNGalla Family Private Limited, ("2nd Applicant / Resulting Company") is primarily engaged in the business of providing consulting and advisory services to companies engaged in food processing, automotive components, plastic components, electronic systems design and manufacturing and allied industries. The main objects are set out in the Memorandum of Association. They are briefly as under:
- To provide consulting and advisory services to companies engaged in food processing, automotive components, plastic components, electronic systems design and manufacturing and allied industries.
 - To carry on the business of manufacturers, processing, preservation, dehydration, canning, bottling, freezing, packing and repacking of fruits and vegetable products,

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squashes, soup, syrups, juice and ice concentrates, nectars, jelly flavored, drinks, beverages, sarbate, pulp, purees, beans, cocktail ketchups, jams and murbas, pickles, sauces, slices, marmalade, health drinks and diet drinks and drinks, aerated, non-aerated minerals and artificial water drinks and provision of all kinds and every descriptions and to carry on the business of export, import, brokers, commission agents and dealers of food products of all kinds.

- iii. To carry on the business of manufacturers, producers, assemblers, dealers, importers, exporters, stockists, distributors, agents or otherwise deal in manufacture of items such as voltage Regulators, Laminations for Transformers, U.P.S (Uninterruptible Power Supply) Systems, Chargers, Invertors and other related Electrical Equipment, Sheet Metal Combiners for Storage and Office Equipment, Lead and Plastic Parts for Storage Batteries, Galvanization of Metal Parts.
- iv. To undertake business as importers, exporters, buyers and sellers of and merchants and dealers in and manufacturers of merchandise, goods, materials, machinery of all kinds of spare parts, instruments, accessories and equipments.
- v. To invest in the capital and/or other funds of the group companies (including equity shares, preference shares, debentures and such other securities by whatever name called), subject to compliance with applicable laws. Further, the company shall not accept any deposits from public nor engage in lending / advancing of money except lending /advancing of money to group companies.

There is no changes in the objects of the Resulting Company since its incorporation.

- 3.4 The authorized, issued, subscribed and paid-up share capital of 2nd Applicant/Resulting Company as on 31stDecember, 2017 is as under:

Share Capital	Amount (In Rs.)
Authorized Share Capital	
2,50,00,000 Equity shares of Rs. 100 each	2,50,00,00,000
TOTAL	2,50,00,00,000
Issued, subscribed and paid-up Share Capital	
2,10,37,627 Equity shares of Rs. 100 each fully paid up	2,10,37,62,700
TOTAL	2,10,37,62,700

- 3.5 The equity shares of the Resulting Company are not listed on any stock exchange.
- 3.6 The 2nd Applicant/Resulting Company was incorporated on 11th July, 2017 and is not yet due for closure of financial year. The un-audited financial statements of the Resulting Company as on 31stDecember, 2017 is as under:

Particulars	Amount in INR
EQUITY AND LIABILITIES	
Shareholder's Funds	

[Signature]

Share Capital	2,096,262,700
Reserves and Surplus	345,843,127
Current Liabilities	
Short Term borrowings	45,020,000
Other current liabilities	379,500
TOTAL :	2,487,505,327
ASSETS	
Non-current assets	
Non-Current Investments	2,105,388,961
Current Assets	
Cash and bank balance	948,598
Current investments in Mutual Funds	378,000,000
Short term loans and advances	3,167,768
Total	2,487,505,327

4. Relationship between the Companies

M/s. Mangal Industries Limited (Demerged Company) is an wholly owned subsidiary of M/s. RNGalla Family Private Limited (Resulting Company)

5. Background and Salient features of the scheme

The Scheme *inter-alia* provides for the following:

- i. The Demerged undertaking (comprising of Foods Business undertaking) of M/s. Mangal Industries Limited ('Demerged Company') shall stand transferred and vested with M/s. RNGalla Family Private Limited ('Resulting Company').
- ii. As the entire issued share capital in Demerged Company is held by the Resulting Company, Demerged Company is a wholly owned subsidiary of Resulting Company. Since Resulting Company is not permitted to issue shares to itself under the provisions of the Act, no new shares will be issued by Resulting Company in consideration of transfer of Demerged Business Undertaking in terms of Clause 4 of this Scheme i.e. the consideration for the demerger would be Nil.

The members are requested to read the entire text of the Scheme to get acquainted with the provisions thereof.

6. Rationale for the proposed Scheme of Arrangement

The proposed Demerger of Demerged Undertaking of Demerged Company and vesting into Resulting Company respectively would result in the following benefits:

- i. Stronger business focus on Engineering Business Undertaking as the risk, return and growth strategies related to Engineering Business Undertaking and Foods Business Undertaking are significantly different.

- ii. Concentrated management teams of Resulting Company which can chart out the independent strategies for Demerged Undertaking of Demerged Company and improved organizational ability.
 - iii. Enable unlocking of value of these businesses.
 - iv. Open avenues for resizing and inorganic growth opportunities for businesses and facilitate investment and strategic partnership for individual businesses.
 - v. Enhance shareholders value.
 - vi. Creating opportunity for shareholders to participate in business of choice and reposition of businesses in their respective market segments thereby creating opportunities for value creation for shareholder.
 - vii. Increased business focus by Demerged Company and Resulting Company in order to meet their respective customer needs and priorities eliminating thereby any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success.
7. The Resolution is subject to the confirmation of the Scheme of Arrangement by the National Company Law Tribunal at Hyderabad and/or appropriate authorities as may be necessary under the applicable law.
 8. The total amount due to the unsecured creditors/trade payable are changing on a daily basis. However the amount(s) due to said Unsecured Creditors of the Demerged Company and Resulting Company as on March 31, 2018 is Rs. 1,36,60,49,811/- and Rs.4,50,20,000/- respectively.
 9. The Director, Key Managerial Persons (KMP's) and Promoters of M/s.Mangal Industries Limited (1st Applicant / Demerged Company):

Name	Designation	Address
Dr. Ramachandra Naidu Galla	Director	Giridrushya, Renigunta-Cuddapah Road, Karakambadi, Tirupati 517520
Galla Jayadev	Director	H.No.A-54, Road No.11, Film Nagar, Jubilee Hills, Hyderabad 500034
Padmavathi Galla	Additional Director	A-54, Road No.11, Film Nagar, Jubilee Hills, Hyderabad 500034
Chemuduri Prasanth	Director	Rampex Labs Private Limited, Plot No.151, Sv Co Operative Indl Estate, Village Road Bollaram Medak 502325
Balakrishna Murthy Iskapalli	Director	12-2-417/10 Sarada Nagar, Gudimalkapur Hyderabad 500067
Ashok Galla	Director	A-54, Road No. 11, Film Nagar Near Saibaba Temple, Jubilee Hills, Shaikpet Hyderabad 500033
Harshavardhana Gourineni	Managing Director	A-54, Road No. 11, Film Nagar, Jubilee Hills, Hyderabad 500034
Ravi Kumar Puvvada	Company Secretary	22-4-63, Radhee Shyam Apartments Tirupati 517507



Gudula Satish Kumar	CFO(KMP)	C-19, At/Po/Ps-Munigunda Dist Rayagada 765020
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The name of Directors of M/s. Mangal Industries Limited (1st Applicant/Demerged Company), who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are:

Name of the Director	Voted in favour / Voted against / Did not participate
Dr. Ramachandra Naidu Galla	Voted in favour
Galla Jayadev	Voted in favour
Padmavathi Galla	Did not participate
Chemuduri Prasanth	Voted in favour
Balakrishna Murthy Iskapalli	Voted in favour
Ashok Galla	Voted in favour
Harshavardhana Gourineni	Voted in favour

Note: Mrs. Padmavathi Galla was granted leave of absence

10. The Board of Directors of the 1st Applicant/Demerged Company vide its meeting dated 06th January, 2018 unanimously approved the Scheme of Arrangement between M/s. Mangal Industries Limited ('Demerged Company') and M/s. RNgalla Family Private Limited ('Resulting Company') and their respective Shareholders and Creditors.
11. The Director, Key Managerial Persons (KMP's) and Promoters of M/s RN Galla Family Private Limited ('2nd Applicant/Resulting Company'):

Name	Designation	Address
Dr. Ramachandra Naidu Galla	Director	Giridrushya, Renigunta-Cuddapah Road, Karakambadi, Tirupati 517520
Galla Jayadev	Director	H.No.A-54, Road No.11, Film Nagar, Jubilee Hills, Hyderabad 500034
Dr. Ramadevi Gourineni	Director	Amara Raja Complex, Renigunta - Cuddapah Road Karakambadi Tirupati 517520

The name of Directors of M/s. RNgalla Family Private Limited (2nd Applicant/Resulting Company), who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are:

Name of the Director	Voted in favour / Voted against / Did not participate
Dr. Ramachandra Naidu Galla	Voted in favour
Galla Jayadev	Voted in favour

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Dr. Ramadevi Gourineni	Voted in favour
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12. The Board of Directors of the 2nd Applicant/Resulting Company vide its meeting dated 11th January, 2018 unanimously approved the Scheme of Arrangement between M/s. Mangal Industries Limited ('Demerged Company') and M/s. RNgalla Family Private Limited ('Resulting Company') and their respective Shareholders and Creditors.
13. The shares held by the Directors and KMPs of the companies involved in the scheme, as on date are set out below:

i. Mangal Industries Limited

Name	Designation	Equity shares of Rs. 10/- each in Demerged Company	Equity shares of Rs. 100/- each in Resulting Company
Dr. Ramachandra Naidu Galla	Director	1*	8,944,168
Galla Jayadev	Director	1*	4,527,037
Padmavathi Galla	Additional Director	-	101,907
Chemuduri Prasanth	Director	-	-
Balakrishna Murthy Iskapalli	Director	-	-
Ashok Galla	Director	1*	606,915
Harshavardhana Gourineni	Managing Director	1*	423,119
Ravi Kumar Puvvada	Company Secretary	-	-
Gudula Satish Kumar	CFO(KMP)	-	-

*Holding shares on behalf of and as nominees of M/s. RNgalla Family Private Limited

ii. RNgalla Family Private Limited

Name	Designation	Equity shares of Rs. 10/- each in Demerged Company	Equity shares of Rs. 100/- each in Resulting Company
Dr. Ramachandra Naidu Galla	Director	1*	8,944,168
Galla Jayadev	Director	1*	4,527,037
Dr. Ramadevi Gourineni	Director	1*	3,147,307

*Holding shares on behalf of and as nominees of M/s. RNgalla Family Private Limited

14. None of the Directors of the companies involved in the scheme has any material interest in the said Scheme except as shareholders in general, to the extent of which it will appear from

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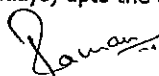
the Register of the Directors' Shareholding maintained by the companies involved in the scheme.

15. None of the KMPs of the companies involved in the scheme has any material interest in the said Scheme except as employees in general.
16. The demerged Company or Resulting Company does not have any depositors, debenture holders, deposit trustee and debenture trustee. As far as the employees of the Demerged undertaking of Demerged Company in service shall be deemed to have become the employees of the Resulting Company without interruption in their service. Further, the terms and conditions of their employment with the Resulting Company (i.e. cost-to-company basis, in monetary terms) respectively shall not be less favourable than those applicable to them with reference to their employment with the Demerged Company.
17. The Scheme will not be prejudicial to the interests of the equity shareholders or creditors (both secured and unsecured) of any of the Demerged Company and Resulting Company. There is no likelihood that any secured or unsecured creditor of any of the Companies involved in the scheme would lose or be prejudiced as a result of the Scheme being passed nor are their rights sought to be modified in any manner. Hence, the Scheme will not cast any additional burden on the shareholders or creditors of the any of the companies involved in the scheme, nor will it affect the interest of any of the shareholders or creditors.
18. There are no proceedings/investigation pending against the Companies involved in the scheme under the Companies Act, 1956 and/or Companies Act, 2013.
19. The Notice of the proposed meeting and the Scheme shall be filed with the Registrar of Companies, Regional Director and the Income Tax Authorities and the representation if any to the Scheme shall be made within thirty days of receipt of such notice. It may be noted that there are no Sectoral Regulators who are required to be informed in the present case.
20. A copy of the Scheme setting out the terms and conditions of the Arrangement between the companies involved in the scheme and their respective shareholders approved by the Board of Directors of the respective companies in their respective Board Meetings is enclosed herewith as Exhibit 1.
21. A copy of the un-audited provisional accounts as on 31st December, 2017 of the Demerged Company is enclosed herewith.
22. The proposed Scheme is in the best interests of the companies involved in the scheme and their respective shareholders and creditors.
23. Copy of the Scheme has been filed with the Registrar of Companies, Hyderabad, on 10.08.2018.
24. Copies of the following documents are available for obtaining extract from or for making or obtaining copies of or for inspection at the registered office of the Demerged Company between 10:00 a.m. and 12:00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.



- a) Memorandum and Articles of Association of the Demerged Company and Resulting Company.
- b) Audited financial statements of the Demerged Company for the past three financial years ended March 31, 2018, March 31, 2017 and March 31, 2016.
- c) Audited financial statements of the Resulting Company for the financial year ended March 31, 2018.
- d) Scheme of Arrangement between M/s. Industries Limited ('Demerged Company') and M/s. RNGalla Family Private Limited ('Resulting Company') and their respective Shareholders and Creditors.
- e) Board Resolution dated 06.01.2018 passed by the Board of Directors of Demerged Company.
- f) Board Resolution dated 11.01.2018 passed by the Board of Directors of Resulting Company.
- g) Certificate issued by the Statutory Auditors of both Demerged Company and Resulting Company stating that the accounting treatment proposed in the Scheme is in conformity with accounting standards prescribed under Section 133 of the Companies Act, 2013.
- h) Order of the Hon'ble National Company Law Tribunal, Hyderabad Bench dated 2nd day of August, 2018 directing convening of meetings of the creditors (both secured and unsecured) of the Demerged Company
- i) Contracts or arrangements material to the Scheme.
- j) Register of Directors, shareholdings of Directors and members of the Demerged Company and Resulting Company

This statement may be treated as an Explanatory Statement under Section 230, 232 and 102 of Companies Act, 2013. Copy of the Scheme and of this Explanatory Statement, may be obtained free of charge from the registered office of the Demerged Company between 10:00 a.m. and 12:00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting.



Sri. K V Raman

Advocate

Chairman appointed

for the Unsecured Creditors Meeting

Address: 401, Ramakrishna Residency

H.No. 6-3-609-150/A, Anand Nagar Colony

Khairatabad, Hyderabad -500004

Date: 09/08/2018

Place: Hyderabad

SCHEME OF ARRANGEMENT

**(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT 2013 AND OTHER APPLICABLE
PROVISIONS AND RULES THEREUNDER)**

BETWEEN

**MANGAL INDUSTRIES LIMITED
("DEMERGED COMPANY")**

AND

**RNGALLA FAMILY PRIVATE LIMITED
("RESULTING COMPANY")**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A handwritten signature in black ink, appearing to read "Sawant", is located below the main text of the document.

PREAMBLE

This Scheme of Arrangement is presented pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 (including any statutory modifications or re-enactments or amendments thereof) and other applicable provisions of the Companies Act, 2013 and Companies Act, 1956 (to the extent applicable), read with Section 2(19AA) of the Income-tax Act, 1961, for the demerger of the Foods Business Undertaking ("**Demerged Undertaking**") of Mangal Industries Limited ("**Demerged Company**") and vesting of the same with RNgalla Family Private Limited ("**Resulting Company**").

A. **Description:**a) **Mangal Industries Limited ("Demerged Company" or "MIL")**

- i. MIL is a public limited company incorporated under the Companies Act, 1956 (CIN U15122AP1990PLC011932) and having its registered office at Renigunta, Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh – 517520, India.
- ii. MIL has two business undertakings:

Engineering Business Undertaking – It comprises of

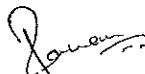
- *Plastics Division* – Manufacture of small and medium plastic components to automotive sector such as Car Seating system and interiors and Battery plastic parts
- *Sheet Metal Division* – Manufacture of Enclosures, Control Panels, Outdoor Cabinets and custom made products for IT, telecom, electronics and automation and power sectors
- *Precision Components Division* – Manufacture of precision components like High Tensile Fasteners and Cold Forged Parts
- *Storage Solutions Division* – Provide integrated material storage and handling solutions

Foods Business Undertaking– Engaged in the production of tropical fresh fruits, vegetables, pulp/puree and concentrates including but not limited to investment in shares of Amara Raja Batteries Limited.

- iii. MIL is currently the wholly owned subsidiary company of Resulting Company.

b) **RNgalla Family Private Limited ("Resulting Company" or "RNgalla Family")**

- i. RNgalla Family is a private limited company incorporated under the Companies Act, 2013 (CIN U15490AP2017PTC106255) and having its registered office at SY No. 692/1, 693/2, 693/3 and 694/2, Karakambadi Village and Post, Renigunta Mandal, Tirupati, Chittoor, Andhra Pradesh – 517520, India.
- ii. RNgalla Family was set up to provide consulting and advisory services to companies engaged in food processing, automotive components, plastic components, electronic systems design and manufacturing and allied industries.



B. Rationale and purpose of the Scheme of Arrangement

The proposed demerger of the Demerged Undertaking of the Demerged Company into Resulting Company would result in the following benefits:

- i. Stronger business focus on Engineering Business Undertaking as the risk, return and growth strategies related to Engineering Business Undertaking and Foods Business Undertaking are significantly different
- ii. Concentrated management teams of Resulting Company which can chart out the independent strategies for Demerged Undertaking of Demerged Company and improved organizational ability
- iii. Enable unlocking of value of these businesses
- iv. Open avenues for resizing and inorganic growth opportunities for businesses and facilitate investment and strategic partnership for individual businesses
- v. Enhance shareholders value
- vi. Creating opportunity for shareholders to participate in business of choice and reposition of businesses in their respective market segments thereby creating opportunities for value creation for shareholder
- vii. Increased business focus by Demerged Company and Resulting Company in order to meet their respective customer needs and priorities eliminating thereby any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success

C. Parts of the Scheme of Arrangement

The Scheme of Arrangement is divided into the following parts:

Part I sets out the Definitions, Share Capital and Date of taking effect of the Scheme;

Part II sets out the provisions for Demerger of the Demerged Undertaking of Demerged Company and vesting of the same with the Resulting Company

Part III sets out the General Terms and Conditions



PART I - DEFINITIONS, SHARE CAPITAL AND DATE OF TAKING EFFECT OF THE SCHEME

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

- 1.1. **"Act"** means the Companies Act, 2013 or the Companies Act, 1956 (to the extent applicable), together with the rules and regulations, circulars, notifications, clarifications and orders issued thereunder and as amended from time to time and to the extent in force;
- 1.2. **"Applicable Laws"** means relevant and applicable central, state and local laws of India, including any statutes, enactments, acts of legislature, laws, ordinances, rules, bye laws, notifications, regulations, guidelines, rule of common law, policy, code, directives, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;
- 1.3. **"Appointed Date"** means the commencement of business on April 1, 2018 or such other date as may be agreed among Demerged Company and Resulting Company, for the demerger of Demerged Undertaking into Resulting Company and approved by the National Company Law Tribunal;
- 1.4. **"Appropriate Authority"** means and includes any Governmental, statutory, departmental or public body or authority, including Registrar of Companies, National Company Law Tribunal;
- 1.5. **"Board of Directors" or "Board"** shall mean the Board of Directors of Demerged Company or Resulting Company, as the case may be or any committee thereof duly constituted or any other person duly authorised by the Board for the purpose of this Scheme;
- 1.6. **"Demerged Company" or "MIL"** means Mangal Industries Limited, a public company incorporated under the Companies Act, 1956 (CIN U15122AP1990PLC011932) and having its registered office at Renigunta, Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh – 517520, India;
- 1.7. **"Demerged Undertaking"** shall mean the undertakings, activities, employees, operations, assets and liabilities of whatsoever nature and kind and wheresoever situated, pertaining to the Foods Business Undertaking of Demerged Company, on a going concern basis, and shall mean and include, without limitation to the following :
 - (i) All assets (whether movable or immovable), wherever situated, whether leasehold or freehold, including land, building, plant and machinery, installations, equipment's, capital work-in-progress, vehicles, furniture, fixtures, appliances, accessories, stocks, inventory, receivables, cash on hand, balances with banks (including bank fixed deposits), advances paid to any persons, loans and advances and deposits of Demerged Company with respect to the Foods Business, along with all rights, title, liability and interest in connection therewith.



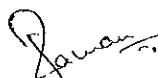
- (ii) All the investments of the Demerged Company pertaining to the Foods Business including but not limited to investments in Amara Raja Batteries Limited.
- (iii) All agreements, rights, contracts (including but not limited to agreements with respect to immovable and movable properties being used by Demerged Company in relation to its Foods Business by way of leasehold, license or any other rights or privileges or other arrangements), bids, tenders, letters of intent, expressions of interest, entitlements, licenses, permits, deeds, leases, memoranda of understanding, memoranda of agreements, undertakings, powers of attorney (if granted and applicable), whether written or otherwise, sales orders, purchase orders or other instruments of whatsoever nature to which the Foods Business of Demerged Company is a party.
- (iv) Amounts claimed by Demerged Company in relation to its Foods Business whether or not so recorded in the books of account of Demerged Company from any Appropriate Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
- (v) All other obligations of whatsoever kind, including liabilities of Demerged Company pertaining to its Foods Business with regard to their employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise.
- (vi) All staff, workmen and employees engaged in the Foods Business of Demerged Company.
- (vii) All the debts, duties, obligations, borrowings and liabilities (including contingent liabilities, liabilities not accrued, not recognized or provided for in the books of accounts of Demerged Company pertaining to its Foods Business), guarantees, assurances, commitments, loans, and undertakings of any kind, nature and description, whatsoever and howsoever arising, present or future, whether secured or unsecured, and including, without limitation, working capital facilities, advances from customers, unearned revenues, bills payable, interest, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to or relatable to the Foods Business of Demerged Company as on the Appointed Date.
- (viii) All brand names, trademarks, service marks, trade names, labels, patents and domain names, designs, software and computer programmes, databases, copyrights, trade secrets and other intellectual property and all other interests of Demerged Company in relation to its Foods Business.
- (ix) All earnest monies and/or security deposits in connection with or relating to the Foods Business of Demerged Company.

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- (x) All legal, tax, regulatory, quasi-judicial, administrative proceedings, suits, appeal, applications or other proceedings of whatsoever nature initiated in connection with the Foods Business of Demerged Company.
- (xi) All books, records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form relating to the Foods Business of Demerged Company.
- (xii) All tax credits, including Minimum Alternate Tax (MAT) credits, cenvat credits, refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax (VAT), goods and service tax (GST), purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law including sales tax deferrals, special economic zone benefits, excise duty benefits, tax deducted at source, right to carry forward and set-off unabsorbed losses, and depreciation, if any and exemptions, deductions, benefits and incentives under the Income-tax Act, 1961 in respect of business, activities and operations pertaining to the Foods Business of Demerged Company.

Whether any particular asset or liability should be included as asset or liability of the Foods Business of Demerged Company, shall be decided mutually by the Board or any committee thereof of Demerged Company and the Resulting Company;

- 1.8. **"Effective Date"** means the date on which the certified copy of the order, issued by the National Company Law Tribunal at Hyderabad, sanctioning this Scheme is filed by the Demerged Company and the Resulting Company with the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad. References in this Scheme to the date of **"upon this Scheme becoming effective"** or **"coming into effect of this Scheme"** or **"upon the Scheme coming into effect"** shall mean the Effective Date;
- 1.9. **"National Company Law Tribunal"** or **"NCLT"** means the National Company Law Tribunal, Hyderabad Bench at Hyderabad.
- 1.10. **"Registrar of Companies"** means the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad;
- 1.11. **"Residual Business of Demerged Company"** means all the undertakings, businesses, operations and activities, including all the assets and liabilities, of the Demerged Company, excluding the Demerged Undertaking, retained by the Demerged Company, pursuant to this Scheme;
- 1.12. **"Resulting Company"** means RNgalla Family Private Limited, a private limited company incorporated under the Companies Act, 2013 (CIN U15490AP2017PTC106255) and having its registered office at SY No. 692/1, 693/2, 693/3 and 694/2, Karakambadi Village and Post, Renigunta Mandal, Tirupati, Chittoor, Andhra Pradesh – 517520, India;



- 1.13. **"Scheme"** or **"this Scheme"** or **"Scheme of Arrangement"** means this Scheme of Arrangement in its present form as submitted to the National Company Law Tribunal and Registrar of Companies, with such modification(s), if any, as may be approved, imposed or directed by the National Company Law Tribunal or as may be made pursuant to Clause 18 of this Scheme;

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and / or other Applicable Laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

In this Scheme, unless the context otherwise requires:

- i. Words denoting singular shall include plural and vice versa;
- ii. Headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- iii. References to the word "include" or "including" shall be construed without limitation;
- iv. References to clause, part or schedule is, unless otherwise stated or indicated to the contrary, are references to clause, part and schedule of this Scheme.



2. **SHARE CAPITAL**

The share capital of the Demerged Company as on **March 31, 2017** is as under:

Particulars	Amount (INR)
<u>Authorised</u> 1,50,00,000 equity shares of INR 10 each	15,00,00,000
<u>Issued, subscribed and paid up</u> 1,39,46,630 equity shares of INR 10 each, fully paid up	13,94,66,300

The authorised, issued, subscribed and paid-up capital of Demerged Company is the same as above as on the date of meeting of the Board of the Demerged Company (i.e. January 6, 2018) approving the Scheme is as follows:

Particulars	Amount (INR)
<u>Authorised</u> 1,50,00,000 equity shares of INR 10 each	15,00,00,000
<u>Issued, subscribed and paid up</u> 1,39,03,877 equity shares of INR 10 each, fully paid up	13,90,38,770

The entire share capital of Demerged Company is held by the Resulting Company.

- 2.1 The share capital of the Resulting Company as on date of incorporation i.e **11th July , 2017** is as under:

Particulars	Amount (INR)
<u>Authorised</u> 2,50,00,000 equity shares of INR 100 each	2,50,00,00,000
<u>Issued, subscribed and paid up</u> 2,09,62,627 equity shares of INR 100 each, fully paid up	2,09,62,62,700

The authorised, issued, subscribed and paid-up capital of Resulting Company is the same as above as on the date of meeting of the Board of the Resulting Company (i.e. January 11, 2018) approving the Scheme.

3. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with modification(s) or amendment(s) approved, imposed or directed by the Hon'ble National Company Law Tribunal shall be operative from the Effective Date, but shall be effective from and be implemented with effect from the Appointed Date.

PART II- DEMERGER OF DEMERGED UNDERTAKING OF DEMERGED COMPANY AND VESTING INTO THE RESULTING COMPANY



4. Transfer and vesting of Demerged Undertaking of Demerged Company into the Resulting Company

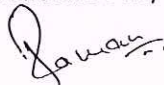
- 4.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all the properties, assets, liabilities of the Demerged Undertaking of the Demerged Company, subject to Clauses 4.7 to 4.9 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies Act, 1956 and also in accordance with Section 2(19AA) of the Income-tax Act, 1961, as a going concern, without any further deed or act, instrument, deed, matter or thing to be done or executed so as to become, as and from the Appointed date, the undertaking of the Resulting Company by virtue of and in the manner provided in this scheme.

Without prejudice to the generality of Clause 4.1 above, with effect from the Appointed Date and upon the Scheme becoming effective:

- 4.2. All the assets and properties of the Demerged Undertaking that are movable in nature or are otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery, or by vesting including equipment, furniture and fixtures, the same shall stand so transferred to Resulting Company, subject to the charges thereon in favour of banks/or financial institutions and shall, upon such transfer, become the property of the Resulting Company in pursuance of the provisions of Sections 230 to 232 of the Companies Act, 2013 without requiring any separate deed or instrument or conveyance for the same or any further act, deed, matter or thing. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting, pursuant to this Scheme, as appropriate to the assets and properties being vested and title to the assets and properties shall be deemed to have been transferred to the Resulting Company accordingly.
- 4.3. With respect to the moveable assets of the Demerged Undertaking other than those referred to in Clause 4.2 above, including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments including but not limited to investments in Amara Raja Batteries Limited, earnest money and deposits with any Government, quasi government, local or other authority or any bank or financial institution or body or body corporate or with any company or other person, the same shall, without any further act, instrument, deed, matter or thing, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date without any notice or other intimation to the debtors (although the Resulting Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company) pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013. It is hereby clarified that all the investments made by the Demerged Undertaking and all the rights, title and interests of Demerged Undertaking in any leasehold properties shall, without any further act, instrument, deed, matter or thing, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company.

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- 4.4. In respect of the immovable properties of the Demerged Undertaking including land, buildings and any other immovable property of the Demerged Undertaking, shall with effect from the Appointed Date, stand transferred to and vested in the Resulting Company and any documents of title, rights and easements in relation thereto, shall stand vested in the Resulting Company, without requiring any deed or instrument of conveyance or any act to be done by Demerged Company or the Resulting Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Resulting Company by the Appropriate Authorities pursuant to the sanction of the Scheme by the National Company Law Tribunal and the Scheme becoming effective in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of the immovable property in relation to the Demerged Undertaking is given to the Resulting Company.
- 4.5. All licensed / leased immovable properties of Demerged Undertaking, including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements entered into by the Demerged Company in relation to its Demerged Undertaking, together with security deposits and advance / prepaid lease / license fee, rights and easements in relation to such properties shall stand transferred to and vested in Resulting Company, without requiring any separate deed or instrument for the same or any further act or deed, matter or thing. The Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease/license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to Resulting Company.
- 4.6. All the loans raised and utilized, debts, liabilities, contingent liabilities, present or future, duties and obligations of the Demerged Undertaking, secured or unsecured, whether known or unknown, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, without any further act, instrument, deed, matter or thing and the Resulting Company shall discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that 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, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 4.7. All the existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances"), if any, as on the Appointed Date and created by the Demerged Company in relation to Demerged Undertaking after the Appointed Date, over the assets comprised in the Demerged Undertaking or any part thereof transferred to the Resulting Company by virtue of this Scheme and in so far as such encumbrances secure or relate to liabilities of the Demerged Undertaking, the same shall, after the Effective Date, continue to relate and



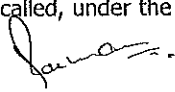
attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such encumbrances shall not relate or attach to any of the other assets of the Resulting Company, provided however that no encumbrances shall have been created by the Demerged Company in relation to Demerged Undertaking over its assets after the date of filing of the Scheme without the prior written consent of the Resulting Company.

- 4.8. The existing encumbrances over the assets and properties of the Resulting Company, if any or any part thereof which relate to the liabilities and obligations of the Resulting Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Company in relation to Demerged Undertaking transferred to the Resulting Company by virtue of this Scheme.
- 4.9. Any reference in any security documents or arrangements (to which the Demerged Company is a party in relation to the Demerged Undertaking) to the Demerged Company in relation to Demerged Undertaking and its assets and properties, shall be construed as a reference to the Resulting Company and the assets and properties of the Demerged Company in relation to Demerged Undertaking transferred to the Resulting Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Demerged Company and the Resulting Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.
- 4.10. Without prejudice to the provisions of sub-Clauses 4.7 to 4.9, with effect from the Appointed Date, all inter-party transactions, if any between the Demerged Company in relation to Demerged Undertaking and the Resulting Company shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 4.11. All incorporeal or intangible property of or in relation to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company, and shall become the property and the integral part of the Resulting Company without any further act, instrument, deed required by either the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.
- 4.12. All letters of intent, memoranda of understanding, memoranda of agreements, memoranda of undertakings, memoranda of agreed points, letters of agreed points, tenders, bids, contracts, deeds, bonds, schemes, arrangements, agreements, whether written or otherwise, deeds, and other instruments (including all leases, licenses and other assurances in favour of the Demerged Undertaking or powers or authorities granted by or to it) of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Undertaking is a party or to the benefit of which, the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect in favour of, by, for or against the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee or obligor thereto or thereunder. It is hereby clarified that upon the Scheme

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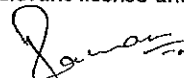
becoming effective, and with effect from the Appointed Date, the Demerged Undertaking shall have no rights and liabilities in respect of any of the aforesaid contracts / arrangements transferred to the Resulting Company for the period after the Appointed Date.

- 4.13. All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets pertaining to the Demerged Undertaking, whether or not provided in books of accounts of the Demerged Company, shall under the provisions of Sections 230 to 232 and other applicable provisions of Companies Act, 2013 or Companies Act, 1956, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Resulting Company.
- 4.14. All taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, excise duty, goods and service tax, etc.), duties, cess payable by or refundable to or being the entitlement of the Demerged Company in relation to its Demerged Undertaking including all or any refunds/tax losses/credit/claims relating thereto shall be treated as the tax liability or refunds/tax losses/credit/claims, as the case may be, of the Resulting Company, and any tax incentives, exemptions, credits, tax holidays, remissions, reductions, tax benefit, advantages, tax losses, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, as would have been available to the Demerged Company in relation to Demerged Undertaking, shall pursuant to the Scheme becoming effective, be available to the Resulting Company with effect from the Appointed Date. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc. in relation to the Demerged Undertaking upto the Appointed Date, shall be available to the Resulting Company with effect from the Appointed Date in terms of section 72A of the Income-tax Act, 1961.
- 4.15. The Resulting Company shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, on behalf of, the Demerged Company in relation to Demerged Undertaking under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty, goods and service tax, minimum alternate tax or any other tax, whether or not arising due to any inter-se transaction, with effect from the Appointed Date, even if the prescribed time limits for claiming such refunds or credits have lapsed. For avoidance of doubt, inputs tax credits already availed of or utilized by the Demerged Company in relation to its Demerged Undertaking and the Resulting Company in respect of the inter-se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- 4.16. All statutory rights and obligations of the Demerged Company in relation to Demerged Undertaking would vest on/accrue to the Resulting Company. Hence, obligations of the Demerged Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts, Central



State Tax Act, Goods and Service Tax or any other act for the time being in force in relation to Demerged Undertaking, would be deemed to have been fulfilled if they are issued or received by Resulting Company and if any Form related to the period prior to the said Effective Date is received in the name of the Demerged Company, it would be deemed to have been received by the Resulting Company in fulfillment of its obligations.

- 4.17. Benefits of any and all corporate approvals as may have already been taken by the Demerged Company in relation to Demerged Undertaking, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 230 to 232 and all other applicable provisions of Companies Act, 2013 or Companies Act, 1956, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Resulting Company as a part of the transfer of the undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Resulting Company.
- 4.18. For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Demerged Company in relation to Demerged Undertaking, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods and services being dealt with by the Demerged Company in relation to Demerged Undertaking, be transferred to and vested in the Resulting Company.
- 4.19. All the licenses, permits, quotas, approvals, certifications, permissions, registrations, incentives, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status, rehabilitation schemes and other benefits or privileges enjoyed or conferred upon or held or availed of by and all the rights and benefits that have accrued or which may accrue (whether statutory or other) to the Demerged Company in relation to Demerged Undertaking, pursuant to the provisions of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 and Companies Act, 1956, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Resulting Company so as to become as and from the Appointed Date, the licenses, permits, quotas, approvals, certifications, permissions, registrations, incentives, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status, rehabilitation schemes and other benefits or privileges of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the licenses, permits, quotas, approvals, certifications, permissions, registrations, incentives, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status, rehabilitation schemes are transferred, vested, recorded, effected and / or perfected, in the records of the Appropriate Authority, in favour of the Resulting Company, the Resulting Company is authorised to carry on business in the name and style of the Demerged Company and under the relevant license and or permit and / or



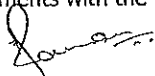
approval, as the case may be in relation to Demerged Undertaking, and the Resulting Company shall keep a record of such transactions.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1. With effect from Appointed date and upon the Scheme becoming effective, subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, including all leases, licenses and other assurances to which the Demerged Company is a party or to the benefits of which the Demerged Company may be eligible, all in relation to the Demerged Undertaking and which are subsisting or having effect immediately on or before the Effective Date, including those relating to tenancies, privileges, powers, pledge, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking, agreements with service providers or contractors for supply of manpower or contract labour, shall be and remain in full force and effect on, against or in favour of Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, Resulting Company had been a party or beneficiary or obligor thereto or thereunder.
- 5.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the undertaking occurs by virtue of this Scheme itself, Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of the Scheme in relation to the Demerged Undertaking. The Resulting Company shall under the provisions of this Part of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Resulting Company to carry out or perform all such formalities or compliances referred to above, to be carried out or performed.

6. STAFF, WORKMEN AND EMPLOYEES

- 6.1. Upon the Scheme becoming effective, all staff, workmen and employees of the Demerged Company in relation to the Demerged Undertaking in service as on the Effective Date, shall be deemed to have become the staff, workmen, and employees of the Resulting Company with effect from the Appointed Date or their respective joining date, or whichever is later, on the same terms and conditions on which they are engaged by the Demerged Company without any break or interruption of service as a result of Demerger of Demerged Undertaking of Demerged Company into Resulting Company.
- 6.2. The Resulting Company agrees that the services of all such staff, workmen and employees of the Demerged Company in relation to Demerged Undertaking upto the effective date will be treated as having been continuous and shall be taken into account from the date of their respective appointment with the Demerged Company for the purposes of all benefits to which the said staff, workmen and employees may be eligible. The services of such employees shall not be treated as having 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.



- 6.3. It is expressly 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 in relation to Demerged Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company in respect of the such staff, workmen and employees transferred with the Demerged 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 Demerged Company in relation to Demerged Undertaking with respect to such Funds or Trusts shall become those of the Resulting Company. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the Demerged Company in relation to Demerged Undertaking or be transferred to or merged with other similar funds of the Resulting Company. In the event that the Resulting Company does not have its own fund with respect to any such Funds, the Resulting Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Resulting Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Demerged Company in relation to Demerged Undertaking shall be transferred to such funds 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 regard provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company in relation to Demerged Undertaking.
- 6.4. It is hereby clarified that the accumulated balances, if any, standing to the credit of the Employees in the existing provident fund, gratuity fund and superannuation fund of which the staff, workmen and employees of the Demerged Company in relation to the Demerged Undertaking are members, shall be transferred, subject to applicable laws, to such provident fund, gratuity fund and superannuation fund of the Resulting Company or to be established and caused to be recognised by the Appropriate Authorities, by the Resulting Company.
- 6.5. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the staff, workmen and employees of the Demerged Company in relation to Demerged Undertaking would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.

7. LEGAL PROCEEDINGS

- 7.1. If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "the **proceedings**") by or against the Demerged Company in relation to Demerged Undertaking be pending and/or arising at the Appointed Date, as and from the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of this Demerger or by anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent

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as it would or might have been continued, prosecuted and enforced by or against the Demerged Company, as if the Scheme had not been made. On and from the Effective Date, the Resulting Company may initiate the Proceedings for and on behalf of the Demerged Company in relation to Demerged Undertaking.


- 7.2. After the Appointed Date, if any proceedings are taken against the Demerged Company in relation to Demerged Undertaking in respect of the matters referred to in sub-clause 7.1 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.
- 7.3. On and from the Effective Date, the Resulting Company undertakes to have all legal or other proceedings initiated by or against the Resulting Company referred to in Clause 7.1 above transferred into its name and have the same continued, prosecuted and enforced by or against the Resulting Company.

8. CONSIDERATION

As the entire issued share capital in Demerged Company is held by the Resulting Company, Demerged Company is a wholly owned subsidiary of Resulting Company. Since Resulting Company is not permitted to issue shares to itself under the provisions of the Act, no new shares will be issued by Resulting Company in consideration of transfer of Demerged Business Undertaking in terms of Clause 4 of this Scheme i.e. the consideration for the demerger would be Nil.

9. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

- 9.1. Upon the Scheme becoming effective, the Resulting Company shall record the assets and liabilities transferred to and vested in it pursuant to this Scheme, at the same book values as appearing in the books of accounts of the Demerged Company in relation to Demerged Undertaking.
- 9.2. The surplus or deficit, if any, of the value of the assets over the value of the liabilities of the Demerged Undertaking acquired pursuant to this Scheme by the Resulting Company shall be adjusted to Reserves and Surplus or Goodwill in the books of Resulting Company as may be decided by the Board of the Resulting Company.
- 9.3. All inter-se transactions i.e. sales including sale of goods and services, receivables, payables, deposits, loans and advances, outstanding balances or other obligations, if any, between the Demerged Company in relation to its Demerged Undertaking and the Resulting Company shall be cancelled and there shall be no obligation/outstanding in that behalf. The corresponding effect shall be given in the books of accounts and records of the Resulting Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of any such loans, deposits or balances, with effect from the Appointed Date.

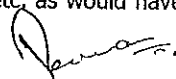


10. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

- 10.1. Upon the Scheme becoming effective, the book value of assets and liabilities of the Demerged Undertaking as appearing in the books of account of the Demerged Company and transferred to Resulting Company shall be reduced from the book value of assets and liabilities of the Demerged Company as on the Appointed Date.
- 10.2. The difference between the book value of assets and liabilities of the Demerged Undertaking shall be adjusted to Reserves and Surplus of the Demerged Company.

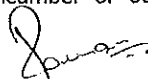
11. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR THE RESULTING COMPANY

- 11.1. With effect from the Appointed Date up to the Effective Date:
- 11.1.1. The Demerged Company shall carry on and shall be deemed to have carried on, all its business, activities and operations relating to the business of Demerged Undertaking in ordinary course and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the assets, properties and liabilities of the Demerged Undertaking on account of, and/or on behalf of and/or for the benefit of, and /or in trust for the Resulting Company.
- 11.1.2. Any of the rights, powers, authorities and privileges attached or related or pertaining to the Demerged Undertaking and exercised by or available to the Demerged Company, shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, relating or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent of the Resulting Company.
- 11.1.3. All the profits or incomes accruing or arising to the Demerged Company and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Demerged Company in relation to the Demerged Undertaking shall, for tax purposes, be treated and be deemed to be and accrue as the profits or incomes or as the case may be, expenditure or losses (including taxes) of the Resulting Company.
- 11.1.4. All taxes, where applicable (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in foreign country, sales tax, excise duty, customs duty, service tax, VAT, tax refunds, goods and service tax) payable by or refundable to the Demerged Company in relation to the Demerged Undertaking, including all or any tax refunds or tax liabilities or tax claims arising from the pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/tax claims (whether or not recorded in the books of the Demerged Company) as the case may be, of the Resulting Company, and any unabsorbed tax losses and depreciation, etc. as would have been available to



the Demerged Company in relation to the Demerged Undertaking on or before the Effective Date, shall be available to the Resulting Company upon the Scheme coming into effect.

- 11.1.5. It is clarified that any TDS credits / TDS certificates of the Demerged Company in relation to the Demerged Undertaking shall be deemed to be TDS credit / TDS certificate of the Resulting Company.
- 11.1.6. All inter – corporate sales including sale of goods and services, receivables, payables, deposits, loans and advances, outstanding balances or other obligations between the Demerged Company in relation to its Demerged Undertaking and the Resulting Company shall be cancelled and there shall be no obligation/outstanding in that behalf.
- 11.1.7. With effect from the Appointed Date and upon the Scheme becoming effective, any documents of title/rights and easements in relation the Demerged Undertaking shall stand transferred to and vested in and / or be transferred to and vested in and / or be deemed to have been transferred and vested in the Resulting Company and shall belong to the Resulting Company. With effect from the Appointed Date, the Demerged Company shall, in relation to such properties pertaining to the Demerged Undertaking, be accountable for all rents, rates and taxes whatsoever inclusive of the same remaining outstanding as on Appointed Date. The mutation of the title to the immovable properties shall be made and duly recorded by the Appropriate Authority pursuant to the sanction of the Scheme becoming effective, in accordance with the terms hereof, in favour of the Resulting Company.
- 11.1.8. All assets howsoever acquired by the Demerged Company for carrying on its business, operations or activities and the liabilities relating to Demerged Undertaking, shall be deemed to have been acquired and are also contracted for and on behalf of the Resulting Company.
- 11.1.9. The Resulting Company shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions in relation to the Demerged Undertaking, which the Resulting Company may require including the registration, approvals, exemptions, relieves, etc., as may be required / granted under any law for the time being in force for carrying on business of the Demerged Undertaking.
- 11.1.10. The Demerged Company shall preserve and carry on its business, operations or activities in relation to the Demerged Undertaking with reasonable diligence and business prudence and shall not undertake any financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or any third party or venture into / expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the



undertaking or assets or any part thereof except in the ordinary course of business without the prior written consent of the Resulting Company.

12. SAVING OF CONCLUDED TRANSACTIONS

- 12.1. Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking of the Demerged Company under this Scheme shall not affect any transactions 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 made, done and executed by Demerged Company in relation to the Demerged Undertaking as acts, deeds and things made, done and executed by or on behalf of the Resulting Company.

13. RESIDUAL UNDERTAKING OF DEMERGED COMPANY

- 13.1. The Residual Undertaking of the Demerged Company including all the properties and assets, debts, liabilities and obligations of the Demerged Company, relating to the Residual Undertaking of the Demerged Company and which do not form part of the Demerged Undertaking shall continue to belong to and remain vested in the Demerged Company.
- 13.2. The Demerged Company shall be entitled to carry on its business and activities pertaining to the Residual Undertaking of the Demerged Company in such manner as it may deem fit and proper and nothing herein contained shall affect the business and activities of the Demerged Company in relation to the Residual Undertaking of the Demerged Company. Further, the Demerged Company shall be deemed to have been carrying on all business and activities relating to the Residual Undertaking of the Demerged Company for and on its own behalf.
- 13.3. All assets and properties acquired by the Demerged Company at any time including on and after the start of business on the Appointed Date, shall, to the extent that the same do not relate to the Demerged Undertaking, form part of the Residual Undertaking of the Demerged Company.
- 13.4. All liabilities, debts and obligations incurred by or arising against the Demerged Company at any time including on and after the start of business on the Appointed Date, shall, to the extent that the same do not relate to the Demerged Undertaking, form part of the Residual Undertaking of the Demerged Company.
- 13.5. The Demerged Company shall be entitled to enter into such contracts as the Demerged Company may deem fit and proper in respect of the Residual Undertaking of the Demerged Company.
- 13.6. All the profits or incomes accruing or arising and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Demerged Company in relation to the Residual Undertaking of the Demerged Company shall, for all purpose, be treated and be deemed to be and accrue as the profits or incomes, or as the case may be, expenditure or losses (including taxes) of the Demerged Company.



- 13.7. All the legal and other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be initiated after the Appointed Date, not relating to the Demerged Undertaking of the Demerged Company, shall be continued and enforced by or against the Demerged Company.

14. VALIDITY OF EXISTING RESOLUTIONS

- 14.1. Upon coming into effect of this Scheme, the resolutions of the Demerged Company in relation to the Demerged Undertaking, as are considered necessary by the Board of the Resulting Company and which are valid and subsisting as on the Effective Date, shall continue to be valid and subsisting in respect of the relative acts performed/steps taken prior to the Effective Date and be considered as resolutions of the Resulting Company and if any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Resulting Company shall be added to the limits, if any, under the like resolutions passed by the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

15. COMPLIANCE WITH SECTION 2(19AA) OF THE INCOME-TAX ACT, 1961

- 15.1. The provisions of Part II of the Scheme as they relate to the Demerger complies with the conditions relating to the "Demerger" as defined and specified under section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions or part of this Scheme are found or interpreted to be inconsistent with the provisions of section 2(19AA) of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with the section 2(19AA) of the Income-tax Act, 1961 and such modifications shall not affect other parts of the Scheme.

16. CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW

- 16.1. Upon the Scheme coming into effect, all taxes / cess / duties payable by or on behalf of Demerged Company upto the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the revenue authorities for all purposes in relation to the Demerged Undertaking, be treated as the tax / cess / duty, liabilities or refunds and claims of the Resulting Company.
- 16.2. It is clarified after the Appointed Date and upon the Scheme becoming effective, that any advance tax paid / TDS credits / TDS certificates received by the Demerged Company in relation to the Demerged Undertaking shall be deemed to be the advance tax paid by / TDS credit / TDS certificate of the Resulting Company.
- 16.3. Upon the Scheme becoming effective, the Resulting Company is expressly permitted to revise its income tax returns, excise & CENVAT returns, service tax returns, GST returns (if any), other tax returns, and to restore as input credit of service tax/ GST adjusted earlier or claim refunds / credits in relation to the Demerged Undertaking.



- 16.4. The Resulting Company is also expressly permitted to claim refunds, credits and other benefits (including tax benefits), tax holiday benefit, Credits (including tax credits), Minimum Alternate Tax Credit entitlement (MAT Credit), tax losses (if available), restoration of input CENVAT/ GST credit and tax deduction in respect of nullifying of any transaction between or amongst the Demerged Company and Resulting Company in relation to the Demerged Undertaking as the case may be.
- 16.5. In accordance with the CENVAT Credit Rules framed under Central Excise Act, 1944, or other applicable rules under GST law, as are prevalent on the Effective Date, the unutilised credits relating to excise duties/ GST paid on inputs / capital goods / Input services lying in the accounts of the undertaking of Demerged Company in relation to its Demerged Undertaking shall be permitted to be transferred to the credit of the Resulting Company, as if all such unutilised credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such unutilised credits against the excise duty / GST/ service tax payable by it.
- 16.6. Upon the Scheme becoming effective, the Resulting Company is expressly permitted to revise its financial statements to give effect to the demerger of the Demerged Undertaking of Demerged Company pursuant to the provisions of the Scheme.



PART III – GENERAL TERMS AND CONDITIONS**17. APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL**


- 17.1. The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make a joint application to the National Company Law Tribunal, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and / or creditors and for sanctioning this Scheme, with such modifications as may be approved by the National Company Law Tribunal.
- 17.2. Upon this Scheme being approved by the requisite majority of the respective members of the Demerged Company and the Resulting Company, (as may be directed by the National Company Law Tribunal), the Demerged Company and the Resulting Company shall, apply to the National Company Law Tribunal, for sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and for such other order or orders, as the said National Company Law Tribunal may deem fit for carrying this Scheme into effect.
- 17.3. Upon this Scheme becoming effective, the respective shareholders of the Demerged Company and the Resulting Company shall be deemed to have also accorded their approval under all relevant provisions of the Companies Act, 2013 for giving effect to the provisions contained in this Scheme.

18. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 18.1. The Demerged Company and the Resulting Company represented by their respective Board of Directors, may assent to /make and / or consent to any modifications / amendments of any kind to the Scheme or to any conditions or limitations that the National Company Law Tribunal or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors).
- 18.2. The Demerged Company and the Resulting Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the National Company law Tribunal or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.
- 18.3. The Demerged Company and the Resulting Company by their respective Board shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

19. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

- 19.1. The Scheme is and shall be conditional upon and subject to:




- (a) Approval of the Scheme by requisite majority of the members and creditors of the Demerged Company and the Resulting Company, as may be directed by the National Company Law Tribunal;
- (b) Approval of the Scheme by the National Company Law Tribunal;
- (c) Certified copy of the order of the National Company Law Tribunal, sanctioning the Scheme being filed with the Registrar of Companies;
- (d) Such other consents, sanctions and approvals as the case may be required by law in respect of the Scheme being obtained.

20. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

- 20.1. In the event of any of the said sanctions, approvals not being obtained and / or the Scheme not being sanctioned by the National Company Law Tribunal, 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. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.
- 20.2. In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.
- 20.3. If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the Demerged Company and the Resulting Company involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including but not limited to such part.

21. COST, CHARGES, AND EXPENSES

All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions of this Scheme and matters incidental thereto shall be borne and paid by the respective company as may be decided by the Board of respective companies and the same shall be eligible for deduction of expenditure incurred as per section 35DD of the Income-tax Act, 1961.



Mangal Industries Limited (Demerged Company)

Unaudited Balance Sheet as on December 31, 2017

Amount in Rs.

Particulars	December 31, 2017	March 31, 2017
EQUITY AND LIABILITIES		
Shareholder's Funds		
Share Capital	139,038,770	139,466,300
Reserves and Surplus	279,684,429	2,160,401,290
	2,418,723,199	2,299,867,590
Non-current Liabilities		
Long Term borrowings	908,993,951	1,178,637,236
Deferred tax liabilities(net)	383,506,928	291,777,122
Long Term borrowings	35,834,294	28,515,530
	1,328,335,173	1,498,929,888
Current Liabilities		
Short Term borrowings	949,291,642	911,166,251
Trade payables		
Dues to Micro and small enterprises	27,224,945	22,687,454
Dues to others	727,833,413	458,290,724
Other current liabilities	766,962,917	810,164,631
Short-term provisions	2,036,479	2,862,470
	2,473,349,397	2,205,171,530
TOTAL	6,220,407,769	6,003,969,008
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	3,884,773,139	3,576,156,432
Intangible assets	2,926,869	3,706,710
Capital work in progress	83,270,571	266,971,507
	3,970,970,579	3,846,834,649
Non-Current Investments	13,625,725	13,625,725
Long term loans and advances	96,760,686	23,128,380
Other non-current assets	3,631,885	473,628
	114,018,296	37,227,733
Current Assets		
Inventories	1,129,772,544	888,387,295
Trade receivables	650,370,308	815,846,735
Cash and bank balance	15,588,996	15,508,921
Short term loans and advances	299,643,546	381,124,821
Other Current Assets	40,043,499	19,038,854
	2,135,418,894	2,119,906,626
Total	6,220,407,769	6,003,969,008

Rajan

Unaudited statement of profit and loss for the period ended December 31, 2017

Particulars	Amount in Rs.	
	Period ended 31.12.2017	Year ended 31.03.2017
REVENUE		
Sale of products (Gross)	5,474,114,601	7,807,963,801
Sale of services	14,018,654	22,528,334
Other operating revenue	28,453,426	39,348,534
	5,516,586,681	7,869,840,669
Less: Excise duty	211,262,740	790,233,321
Revenue from operations (Net)	5,305,323,940	7,079,607,348
Other Income	60,191,750	64,952,452
TOTAL REVENUE	5,365,515,691	7,144,559,800
EXPENSES		
Cost of materials consumed	3,733,337,019	4,607,347,598
Changes in inventories of finished goods, work-in-process and Stock in trade	(304,060,832)	(125,622,406)
Purchases of Stock-in-trade	-	29,295,640
Employee benefits expense	538,177,758	692,771,740
Finance costs	140,308,010	199,190,810
Depreciation and amortization expense	211,964,554	237,088,623
Other expenses	658,471,389	894,531,876
TOTAL EXPENSES	4,978,197,899	6,534,603,881
Profit before extraordinary items and Tax	387,317,792	609,955,919
Less: Extraordinary Items	-	-
Profit before tax	387,317,792	609,955,919
Less: Tax expense:		
Current tax	91,966,120	131,500,000
Add/Less: MAT credit withdrawn/(taken) during the year	-	(74,800,000)
Net current tax	91,966,120	56,700,000
Deferred tax	91,729,805	93,200,424
Earlier year's short/(Excess) provision	(7,709,371)	(1,480,709)
Profit for the year after tax	211,331,238	61,536,204
Less: Appropriations		
Dividend Paid	69,733,150	-
Dividend tax	14,195,996	-
Balance carried to balance sheet	127,402,093	461,536,204

Raman

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH AT HYDERABAD
CA (CAA) No 762/230/HDB/2018**

In the matter of the Companies Act, 2013
and
In the matter of Sections 230 to 232 read with
other relevant provisions of the Companies Act,
2013
and
In the matter of Scheme of Arrangement between
M/s. MANGAL INDUSTRIES LIMITED ('Demerged
Company') and M/s.RNGALLA FAMILY PRIVATE
LIMITED ('Resulting Company')and their
respective Shareholders and Creditors

M/s. MANGAL INDUSTRIES LIMITED
a company incorporated under the Companies Act, 1956
having its registered office at Renigunta Cuddapah Road,
Karakambadi, Tirupati, Andhra Pradesh

... 1st Applicant /Demerged Company

FORM OF PROXY

I / We,..... the undersigned Unsecured Creditor/s of the Mangal
Industries Limited/ Demerged Company, hereby appoint

1. Name :
- Address :
- e-mail id :
- Signature :*or failing him/her*
2. Name :
- Address :
- e-mail id :
- Signature :*or failing him/her*
3. Name :
- Address :

e-mail id :

Signature :or failing him/her

as my / our Proxyto attend and vote (on a poll) for me / our behalf at the Tribunal Convened meeting of the Unsecured Creditors of Mangal Industries Limited /1st Applicant / Demerged Company to be held at its Registered office at Renigunta, Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh – 517 520 on Saturday 15th day of September, 2018 at 4:00 P.M. and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution No.	Subject matter of the resolution
1.	To approve the Scheme of Arrangement between M/s. Mangal Industries Limited ('Demerged Company') and M/s. RNgalla Family Private Limited ('Resulting Company') and their respective Shareholders and Creditors

Signed this day of ____, 2018.

Name :

Signature :

Address:

Amount due :

(Strike whichever is not applicable).

Notes:

1. The Proxy must be deposited at the Registered Office of the Demerged Company situated at Renigunta-Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh – 517 520, India atleast 48 hours before the scheduled time of the meeting. The Proxy need not be a creditor of the Demerged Company.
2. All alterations made in the form of proxy should be initialed.



Mangal Industries Limited (Demerged Company)

CIN : U15122AP1990PLC011932

Registered Office: Renigunta, Cuddapah Road, Karakambadi
Tirupati, Andhra Pradesh – 517 520

Tel No. +91 877 2265000, Fax No. +91 877 2285600

E-mail: mangal@amararaja.co.in Website: www.mangalltd.com

ATTENDANCE SLIP

Tribunal Convened Meeting

Name and address of the Unsecured Creditors (In BLOCK letters):

Amount due

.....

I/we certify that I/we am/are an Unsecured Creditors/proxy(s) for the Unsecured Creditors of the Mangal Industries Limited/Demerged Company. I/we hereby record my/our presence at the Tribunal Convened Meeting of the Unsecured Creditors of the Mangal Industries Limited/Demerged Company held at its Registered office at Renigunta, Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh – 517 520 on Saturday, 15th day of September, 2018 at 4:00 P.M.

Unsecured Creditor's / Proxy's Name
(in BLOCK letters)

Unsecured Creditor's / Proxy's Signature

Note:

- Please fill in this attendance slip and hand it over at the entrance of the hall.
- *Strike out what is not applicable.

