

NOTICE OF THE ANNUAL GENERAL MEETING

To the Members of

Mangal Industries Limited

NOTICE is hereby given that the 26th annual general meeting of the members of Mangal Industries Limited will be held on Monday, September 25, 2017 at 11:00 am at the Registered Office of the Company at Renigunta – Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh – 517 520 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2017 together with the reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend on the equity shares of the Company for the financial year ended March 31, 2017.
3. To appoint a director in place of Mr. Jayadev Galla (DIN: 00143610), who retires by rotation in terms of Article 122 of the Articles of Association of the Company at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To ratify the appointment of M/s. Brahmayya & Co., as auditors for the period from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary resolution**.

“RESOLVED that pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. Brahmayya & Co., Chartered Accountants, Vijayawada (Firm registration.no- 00513S) which was approved at the Annual General Meeting held on September 2, 2016 to hold office for a term of 5 years i.e., from the conclusion of 25th annual general meeting till the conclusion of the 30th annual general meeting of the Company, be and is hereby ratified from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on a remuneration of ` 5,00,000/- p.a. (Rupees Five Lakhs only) plus, reimbursement of out of pocket expenses incurred at actuals, fees for other services and applicable taxes and the Board of Directors of the Company be and they are hereby authorized to pay such increased audit fees as they may deem fit.”

SPECIAL BUSINESS:

5. To appoint Mr. Harshavardhana Gourineni (DIN : 07311410) as a Managing Director and in this regard to consider consider, and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

“RESOLVED that pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (the Act) read with Schedule V of the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. Harshavardhana Gourineni (DIN: 07311410) be and is hereby appointed as Managing Director of the Company for a period of five (5) years with effect from April 1, 2017 (i.e. from April 1, 2017 to March 31, 2022), on the terms and conditions including remuneration as detailed herein below:

1. The Managing Director shall, subject to the supervision and control of the Board of Directors; carry out such duties as may be entrusted to him by the directors and shall exercise such powers as are delegated to him by the Board of Directors.
2. **Period of Agreement:** 5 years from **April 1, 2017 to March 31, 2022**
3. **Remuneration:**
Salary: ` 6,45,000/- per month (Rupees Six lakhs forty five thousand only)
Variable Performance Pay (VPP): ` 19,00,000/- per annum (Rupees Nineteen lakhs only). VPP will be an annual payment based on the actual level of achievement on the Business /Company performance and individual performance, based on the overall objectives and criteria decided by the Board.
Commission: Such amount as may be approved by the Board or Nomination & Remuneration Committee of the Board based on the performance of the Company for each of the year.
4. **Perquisites/Benefits:**
House Rent Allowance / Accommodation:
House Rent Allowance as may be applicable to the employees of the Company or provision of furnished accommodation.

Medical Reimbursement:

Reimbursement of medical expenses incurred for self and family and dependent parents, subject to a ceiling of one month's salary per year.

Leave Travel Concession:

Leave Travel Concession for self and family to and from any place in India, once in a year in accordance with the rules of the Company.

Provident Fund:

Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

Leave Encashment:

Encashment of leave at the end of tenure as per the rules of the Company

Gratuity:

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

Car: Company's car with driver for business purposes.

Telephone:

Telephone / Communication facilities at residence for business purposes

Club Fee:

Club fees are subject to a maximum of two clubs. No admission and life membership fee will be paid.

5. **Overall Remuneration:**

The aggregate of salary, variable performance pay, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 196, 197 and other applicable provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof, read with Schedule V to the said Act, as may, for the time being, be in force.

6. **Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Harshavardhana Gourineni, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

7. The Managing Director shall be entitled to reimbursement of all actual expenses or charges including travel, entertainment or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business.
8. The terms and conditions of the said appointment and/or agreement may be altered, enhanced or varied from time to time by the board as it may, in its discretion, deem fit.
9. The agreement may be terminated by either party after giving the other party three (3) months' notice.
10. The Managing Director shall not be entitled to receive any fees for attending Meetings of the Board/committee.

RESOLVED FURTHER that the Board of Directors (hereinafter referred to as "the Board") be and is hereby authorised to alter and vary the terms and conditions of the said appointment and remuneration including authority to determine/ vary from time to time the amount of salary, perquisites, other benefits and allowances and commission payable as recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013, to Mr. Harshavardhana Gourineni, in such manner as may be agreed between the Board and Mr. Harshavardhana Gourineni, subject to the total remuneration not exceeding five percent (5%) of the net profits of the Company per annum and to do all such acts, deeds, matters and things as it may, in its sole and absolute discretion deem necessary, expedient, usual or proper to give effect to this resolution."

6. To appoint Mr. Ashok Galla (DIN : 07304265) as a Director and in this regard to consider consider, and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. Ashok Galla (DIN : 07304265) who was appointed as an Additional Director

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by the Board of Directors with effect from May 25, 2017 and who holds office until the date of this Annual General Meeting under Section 161 of the Act and Article 107 of the Articles of Association of the Company, being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the director be and is hereby appointed as director of the Company, liable to retire by rotation.”

7. To ratify the remuneration of the Cost Auditors for the financial year 2017-18 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s.Nageswara Rao & Co, Cost Accountants (Firm Registration No. 000332), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18, at a remuneration of ` 2,50,000 /-(Rupees two lakhs fifty thousand only) as also the payment of service tax as applicable and re-imburement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified.”

“RESOLVED FURTHER that the Board of Directors or Key Managerial Personnel of the Company be and is hereby severally authorised to do all acts and to take all steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board
For Mangal Industries Limited

Place : Hyderabad
Date : 25.05.2017

P. Ravi Kumar
Company Secretary

Corporate Identification Number (CIN) :
U15122AP1990PLC011932

Registered Office
Renigunta-Cuddapah Road,
Karakamabadi, Tirupati-517520
Andhra Pradesh.
Tel : 91(877)2265000, Fax : 91(877) 2285600
Website : <http://www.mangalltd.com/>

NOTES:

- 1. A Member entitled to attend and vote at the annual general meeting (the “meeting” or “AGM”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy so appointed need not be a member of the Company.**
- 2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
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.
3. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to the special business to be transacted at the meeting is annexed hereto.
4. The registers i.e Register of Directors and Key Managerial Personnel and Register of Contracts or Arrangements maintained under Section 170 and Section 189 of the Companies Act, 2013 will be available for inspection to the members at the meeting.
5. The register of members and share transfer books of the Company will remain closed on Friday, September 22, 2017, for the purpose of determining the entitlement of member to the dividend for the financial year 2016-17, if declared at the meeting.

6. The dividend, if declared, shall be paid on or before October 24, 2017 to those members whose name appear in the register of members as of the close of business hours on September 22, 2017 and in case of shares held in dematerialised form to the beneficiaries as of the close of business hours on September 22, 2017 as per details furnished by the Depositories.
7. The copies of the Annual Report 2016-17 including the notice of the 26th Annual General Meeting of the Company, attendance slip and proxy form are being sent by electronic mode to all the members whose e-mail address are registered with the Company/Depositories for communication purposes. For members who have not registered their e-mail address, the aforesaid documents are being sent in the permitted mode.
8. Members may also note that the notice of the 26th annual general meeting, proxy form and the Annual Report 2016-17 shall be placed on the Company's website www.manglltd.com The physical copies will also be available at the registered office of the Company for inspection during normal business hours on working days.
9. The route map to the venue of the meeting is furnished herewith.
10. Members holding shares in physical form are requested to advise any change in their address immediately.
11. Members seeking any information with regard to the financial statements are requested to write to the Company atleast 7 days before the meeting so as to enable the management to keep the information ready at the meeting.
12. Members are requested to handover the attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.

Statement as required under Section 102(1) of the Companies Act, 2013

The following statement sets out all material facts relating to special business mentioned in the accompanying notice dated May 25, 2017 and shall be taken as forming part of the notice

Item No. 5

The Board of directors of the Company at their meeting held on March 18, 2017 appointed Mr. Harshavardhana Gourineni (DIN: 07311410) as the Managing Director of the Company for a period of five years effective from April 1, 2017 on the terms of appointment and remuneration payable as are specified in the draft agreement to be executed between Mr. Harshavardhana Gourineni (DIN: 03167659) and the Company, a copy of which (as has also been duly approved by the Board) will be placed before the meeting and is subject to the approval of the shareholders and other approvals, if any, as may be necessary.

The Company has received from Mr. Harshavardhana Gourineni the requisite disclosures/declarations to the provisions of the Act.

The principal terms of appointment and remuneration of Mr. Harshavardhana Gourineni (DIN: 07311410) as Managing Director are as follows:

- **Salary:** ` 6,45,000/- per month (Rupees Six lakhs forty five thousand only)
- **Variable Performance Pay (VPP):** ` 19,00,000/- per annum (Rupees Nineteen lakhs only). VPP will be an annual payment based on the actual level of achievement on the Business /Company performance and individual performance, based on the overall objectives and criteria decided by the Board.
- **Commission:** Such amount as may be approved by the Board or Nomination & Remuneration Committee of the Board based on the performance of the Company for each of the year.

Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay Mr. Harshavardhana Gourineni (DIN: 07311410), the Managing Director of the Company, the remuneration by way of salary, perquisites and allowances as specified above subject to the approval of the Statutory Authority, where required.

The Managing Director shall also be entitled to reimbursement of expenses actually incurred by him for the business of the Company. He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.

Mr. Harshavardhana Gourineni (DIN: 07311410), Managing Director shall not be liable to retire by rotation. The resolution is recommended for your approval.

A brief resume of Mr Harshavardhana Gourineni, as required under Secretarial Standard-2, forms part of this Notice as **Annexure I.**

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Mr Harshavardhana Gourineni satisfy all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr Harshavardhana Gourineni belong to the promoter's family and he is not related to any other director of the Company in terms of Section 2(77) of the Companies Act, 2013.

Copies of the Memorandum and Articles of Association of the Company, draft agreement to be entered into between the Company and Mr. Harshavardhana Gourineni (DIN: 07311410), Managing Director duly approved by the Board, and all other relevant documents and papers are open for inspection at the Registered Office of the Company between 9.15 a.m. to 05.45 p.m. on any working day prior to the date of the meeting.

Save and except the above, Dr. Ramachandra N Galla, Mr.Jayadev Galla and Mr.Ashok Galla Directors of the Company are concerned or interested, financially or otherwise, in this resolution. But they are not relatives as per Section 2(77) of the Companies Act, 2013.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders.

Item No. 6

Mr. Ashok Galla (DIN : 0007304265) was appointed as an Additional Director of the Company by the Board of Directors with effect from May 25, 2017, pursuant to section 161 of the Companies Act, 2013 based on the recommendation of the Nomination & Remuneration Committee.

In terms of Section 161 of the Act, Mr. Ashok Galla holds office only upto the date of the ensuing Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice in writing under the provisions of Section 160 (1) of the Act, from a member proposing his candidature for the office of Director under Section 152 of the Act, along with the requisite deposit.

The Company has received from Mr.Ashok Galla the requisite disclosures/declarations pursuant to the provisions of the Act.

A brief resume of Mr. Ashok Galla, as required under Secretarial Standard-2, forms part of this Notice as Annexure I.

Mr. Ashok Galla and Mr Jayadev Galla is interested in the resolution as set out at item no. 6 of this notice with regard to his appointment as a Director.

The Board recommends the Ordinary Resolution set out at Item No. 6 for approval by the shareholders.

Item No. 7

The Board of Directors of the Company at their meeting held on May 25, 2017, on the recommendation of the Audit Committee, approved the appointment of M/s.Nageswara Rao & Co, Cost Accountants, Secunderabad as cost auditors, to conduct the audit of the cost records of the Company for the financial year 2017-18 on a remuneration of ` 2,50,000 /-(Rupees two lakhs fifty thousand only) plus reimbursement of out of pocket expenses and applicable taxes.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 consent of the members sought by way of an ordinary resolution as setout at item.no-5 of the notice ratifying the remuneration payable to the Cost Auditors for the Financial Year 2017-18.

By order of the Board
For Mangal Industries Limited

Place : Hyderabad
Date : May 25, 2017

P. Ravi Kumar
Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR SEPTEMBER 25, 2017

Name of the Director	Mr.Jayadev Galla	Mr.Harshavardhana Gourineni	Mr.Ashok Galla
Director's Identification Number (DIN)	00143610	07311410	07304265
Date of birth	24-03-1966	15-06-1988	05-04-1992
Date of appointment	02-12-2000	01-04-2017	25-05-2017
Qualification	Bachelors Degree in Political Science and Economics	Bachelors of Science and Psychology	Bachelor of Science in Radio-Television-Film
Experience & Expertise in specific functional area	<p>Jayadev Galla is the Vice Chairman of Mangal Industries Limited; Vice Chairman and Managing Director of Amara Raja Batteries Limited (ARBL), a leading manufacturer of Advanced Lead Acid batteries for Industrial and Automotive applications. ARBL is a joint venture between Amara Raja group and US based Johnson Controls Inc. (JCI). JCI is a USD 35 billion conglomerate and the global leader in building efficiency, automotive interior experience and automotive power solutions. The company owns the brand name "Amaron" which is the second largest selling automotive battery brand in India today. ARBL is a widely held public limited company listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited.</p> <p>Achievements: (a) Spearheading ARBL's automotive batteries (Amaron) venture (b) Striking a partnership with JCI, U.S.A. for the automotive battery business (c) Winning the prestigious Ford World Excellence Award in 2004 achieved by meeting global delivery standards. ARBL is the 3rd supplier from India to be given this award.</p> <p>Posts and Responsibilities : (a) Member of Parliament, Guntur Constituency (Lok Sabha) (b) Confederation of Indian Industry viz., Young Indians National Branding Chair, Young Indian's National Immediate (Past Chairman) etc</p>	<p>Worked as Senior Management Executive at Amara Raja Batteries Limited. Previously he worked as Manufacturing Supervisor at Johnson Controls in Geneva, Illinois.</p>	<p>Director of Amara Raja Media Private Limited</p>
Terms & Conditions of Appointment or re-appointment	As per Company's Policy on Appointment of Board Members	As mentioned in the Explanatory Statement attached to this Notice	As mentioned in the Explanatory Statement attached to this Notice
Remuneration last drawn	Nil	Nil	Nil
Shareholding in the Company as on 31.03.2017	2,241,370 [@]	240,400 [@]	358,709 [@]

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Name of the Director	Mr.Jayadev Galla	Mr.Harshavardhana Gourineni	Mr.Ashok Galla
Relationship with other directors and KMPs of the Company	Dr.RamachandraNGalla, Father. Mr.Harshavardhana Gourineni, nephew and Mr.Ashok Galla, Son.	Dr Ramachandra N Galla Grandfather, Mr Jayadev Galla, Uncle and Mr Ashok Galla, Cousin	Dr Ramachandra N Galla Grandfather, Mr Jayadev Galla, Father and Mr Harshavardhana Gourineni, Cousin
No. of Meetings of the Board attended during the year	Please refer to the Directors report	Please refer to the Directors report	NA
List of Companies* in which outside directorship held	<ul style="list-style-type: none"> • Amara Raja Batteries Limited, • Amara Raja Power Systems Limited, • Amara Raja Electronics Limited • Amara Raja Infra Private Limited, • Nine Nines Lifestyle Private Limited, • RNGalla Family Holdings Private Limited, • Amaron Batteries Private Limited • Amara Raja Media And Entertainment Private Limited • Tattva Subsea Pte Limited 	<ul style="list-style-type: none"> • Amara Raja Infra Private Limited, • Amara Raja Industrial Services Private Limited • Amara Raja Media And Entertainment Private Limited 	<ul style="list-style-type: none"> • Amara Raja Media and Entertainment Private Limited
Chairman/ Member of the Committees* of Board of Directors of Indian Companies	<ul style="list-style-type: none"> • Share Transfer and Stakeholders Relationship Committee & Loan and Investment committee, member in Amara Raja Batteries Limited • Loan and Investment committee, Member in Amara Raja Power Systems Limited • Loan and Investment committee, Member in Amara Raja Electronics Limited 	Nil	Nil

@ As on March 31, 2017 the beneficial interest of above shares is being held by M/s. RNGalla Family & Co. a Partnership firm.

* includes directorship/ committee positions in other Indian companies.

NRC – Nomination & Remuneration Committee.