



MANDHANA INDUSTRIES LIMITED

CIN: L17120MH1984PLC033553

Registered Office: Plot No. C-3, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar - 401 506

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Website: www.mandhana.com

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day	: Friday
Date	: November 27, 2015
Time	: 12.00 Noon
Venue	: Plot No. C-2, M.I.D.C. Tarapur Industrial Area, Boisar, District Palghar - 401506, Maharashtra

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 814 OF 2015**

In the matter of Companies Act, 1956 and Companies Act, 2013
And
In the matter of sections 391 to 394 read with sections 100 to 103 of the
Companies Act, 1956
And
In the matter of Mandhana Industries Limited
And
In the matter of Scheme of Arrangement
between
Mandhana Industries Limited (Demerged Company)
and
Mandhana Retail Ventures Limited (Resulting Company)
And
Their respective shareholders and creditors

Mandhana Industries Limited, company)
incorporated under the provisions of the)
Companies Act, 1956, having its registered)
office situated at Plot No. C-3, M.I.D.C.)
Tarapur Industrial Area, Boisar,)
District Palghar – 401506, Maharashtra.) Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

To,
The Equity Shareholders of Mandhana Industries Limited (“the Company” or “Applicant Company” or “MIL”)

TAKE NOTICE that by an Order made on October 16, 2015, in the above mentioned Company Summons for Direction, the Hon’ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at Plot No. C-2, M.I.D.C Tarapur Industrial Area, Boisar, District Palghar – 401506 on Friday, November 27, 2015 at 12.00 Noon, to consider and, if thought fit, approve with or without modification(s), the proposed Scheme of Arrangement between Mandhana Industries Limited and Mandhana Retail Ventures Limited and their respective shareholders and creditors (“Scheme of Arrangement” / “the Scheme”):

“RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956, Memorandum of Association and Articles of Association of Mandhana Industries Limited (“the Company” or “MIL”) and subject to the requisite sanction of the High Court of Judicature at Bombay, as the case may be, and such other statutory/regulatory authority(ies), as may be applicable, the Scheme between the Company and Mandhana Retail Ventures Limited (“MRVL”) and their respective shareholders and creditors providing for the demerger of the Retail Division of the Company to MRVL with effect from April 1, 2014 (“Appointed Date”), as per the terms and conditions mentioned in the draft Scheme, initialed by the Chairman for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Managing Committee of the Board (“the Committee”) and/or Mr. Purushottam C. Mandhana- Chairman and Managing Director and/or Mr. Biharilal C. Mandhana - Executive Director and/or Mr. Manish Mandhana - Joint Managing Director and/or Mr. Saharsh Daga - Senior Vice President - Finance and/or Mr. Vinay Sampat - Vice President - Legal and Company Secretary (“Authorised Persons”) be and are hereby jointly and severally 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 the Hon’ble High Court of Judicature at Bombay while sanctioning the Demerger embodied in the Scheme or by any authorities under any applicable 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 may be deemed fit and proper.”

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company, will be held at Plot No. C-2, M.I.D.C. Tarapur Industrial Area, Boisar, District Palghar – 401506 on Friday, November 27, 2015 at 12.00 Noon (“the meeting”), at which place, day, date and time you are requested to attend.

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 authorised representative, is deposited at the Registered Office of the Applicant Company at Plot No. C-3, M.I.D.C. Tarapur Industrial Area, Boisar, District Palghar – 401506, Maharashtra not later than 48 hours before the time of the aforesaid meeting.

The Hon'ble High Court has appointed Mr. Purushottam C. Mandhana, Chairman & Managing Director of the Applicant Company, failing him, Mr. Manish B. Mandhana, Joint Managing Director of the Applicant Company, failing him, Mr. Biharilal C. Mandhana, Executive Director of the Applicant Company to be the Chairman of the said meeting.

A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956, Form of Proxy, Attendance Slip and Ballot Form are enclosed herewith.

Sd/-
Purushottam C. Mandhana,
Chairman appointed for the meeting

Place : Mumbai
Date : October 16, 2015
CIN : L17120MH1984PLC033553

Registered Office:

Plot No. C-3, M.I.D.C
Tarapur Industrial Area, Boisar,
District: Palghar – 401506, Maharashtra.

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Sections 112 and 113 of the Companies Act, 2013) at the Equity Shareholders' meeting. The Authorised Representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before commencement of the meeting.
3. Foreign Institutional Investors (FIIs) who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of power of attorney, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before commencement of the meeting.
4. The proxy need not be a member of the Applicant Company.
5. A Member or his Proxy is requested to bring the copy of the notice to the meeting and produce the attendance slip, duly completed and signed, at the entrance of the meeting venue.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID number for easy identification while recording attendance at the meeting.
7. Members are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
8. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Clause 35B of the Listing Agreement, the Applicant Company has provided the facility to the Members to exercise their votes on resolution through electronic voting facility (“e-voting”) arranged by Central Depository Services (India) Limited (CDSL) and the business contained in the notice may be transacted through such voting. Instructions for voting are given at Note No. 12 annexed to this Notice. The facility for voting, either

through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting or by sending the ballot form, shall be able to exercise their right at the meeting. Resolution passed by Members through Ballot Forms or e-voting is deemed to have been passed as if they have been passed at a General Meeting of the Members.

9. The members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
10. Members can opt for only one mode of voting, i.e., either by Ballot Forms/Polling Paper or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form / Polling Paper shall be treated as invalid.
11. In case a member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to cs@mandhana.com or rnt.helpdesk@linkintime.co.in by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer at : Mr. Nitin R. Joshi, Scrutinizer, C/o Link Intime India Pvt. Ltd., Unit- Mandhana Industries Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, not later than November 26, 2015, 5.00 p.m. Ballot Form received after this date and time will be treated as invalid.
12. Instructions for voting are as under:

(1) Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Clause 35B of the Listing Agreement, the Company is pleased to provide members a facility to exercise their right to vote at the Court Convened Meeting (CCM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited:

The instructions for e-voting are as under:

- (i) Open your web browser and log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID
 - For National Securities Depository Limited (NSDL): Alphabet IN followed by 6 digits DP ID and 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification Code as displayed and then Click on "Login".
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders).</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip, in the PAN field. For Members to whom the Notice of the AGM has been sent through e-mail, the sequence number has been provided in the body of the e-mail.</p>
DOB*	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio no. in dd/mm/yyyy format.
Dividend Bank Details*	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account/folio number.

- a) Now, fill up the following details in the appropriate boxes:

*Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or the Company, please enter the User ID/Folio Number in the Dividend Bank details field as mentioned in instruction no. (iii).

- b) After entering these details appropriately, click on "SUBMIT" tab.
- c) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by the demat account holders for voting on resolutions of any other company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- d) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(vii) Now, select the Electronic Voting Sequence Number (EVSN) for "MANDHANA INDUSTRIES LIMITED". This will take you to the voting page.

(viii) On the voting page, you will see Resolution Description and against the same the option "YES / NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.

(ix) If you wish to view the entire Resolutions, click on the "Resolutions File Link".

(x) After selecting the resolution you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xiii) If Demat account holder has forgotten the changed password, then enter the User ID and image verification code, click on Forgot Password & enter the details as prompted by the system.

(xiv) Note for Non - Individual Shareholders and Custodians:

Non - Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xv) In case you have any queries or issues/grievance regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://www.evotingindia.com> under help section or write an email to helpdesk.evoting@cdslindia.com. In this regard, you may also write an e-mail to the Company Secretary & Compliance Officer at cs@mandhana.com.

(2) Voting through Physical Ballot Form:

In terms of Clause 35B of the Listing Agreement, the members who do not have access to e-voting, are requested to fill in the Physical Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in the enclosed Business Reply Envelope to the Scrutinizer. Unsigned, incomplete or incorrectly ticked forms shall be rejected. The ballot must be received by the Scrutinizer at : Mr. Nitin R. Joshi, Scrutinizer, C/o Link Intime India Pvt. Ltd., Unit- Mandhana Industries Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, on or before Thursday, November 26, 2015 (5.00 p.m. IST). The Scrutinizer's decision on the validity of the forms will be final. Members are required to vote only through the electronic voting system or through ballot and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic voting system would be considered and the ballot vote would be ignored.

- (3) Mr. Nitin R. Joshi, Practising Company Secretary (Membership No. F3137 and C.P. No. 1884) has been appointed as the Scrutinizer to scrutinize the entire voting process in a fair and transparent manner. Scrutinizer's email address is: n_r_joshi@yahoo.com.

Other instructions:

- (i) The e-voting period commences on November 24, 2015 10.00 a.m. IST and ends on November 26, 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on November 20, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently or cast vote again.
- (ii) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as at the closure of the business hours on November 20, 2015 (the cut-off date). A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to cast the vote in the entire voting process.
- (iii) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice, holding shares as of the cut-off date i.e. November 20, 2015 and is already registered with CDSL for remote e-voting then such person can use his existing user ID and password for casting the vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com or contact CDSL at its toll free no.: 18002005533. You may also write to the Registrar and Share Transfer Agent, Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in or to the Company at cs@mandhana.com, for any concern in this regard.
- (iv) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and shall combine with the valid votes cast through ballot forms received before the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- (v) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.mandhana.com and on the website of CDSL within two days of the passing of the resolution at the court convened meeting on November 27, 2015 and communicated to the Court, BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 814 OF 2015**

In the matter of Companies Act, 1956 and Companies Act, 2013
And
In the matter of sections 391 to 394 read with sections 100 to 103 of the
Companies Act, 1956
And
In the matter of Mandhana Industries Limited
And
In the matter of Scheme of Arrangement
between
Mandhana Industries Limited (Demerged Company)
and
Mandhana Retail Ventures Limited (Resulting Company)
And
Their respective shareholders and creditors

Mandhana Industries Limited, company)
incorporated under the provisions of the)
Companies Act, 1956, having its registered)
office situated at Plot No. C-3,)
M.I.D.C. Tarapur Industrial Area, Boisar,)
District Palghar – 401506, Maharashtra.)Applicant Company

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 TO THE NOTICE OF THE COURT
CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY**

1. This is a statement accompanying the Notice convening the meeting of the Equity Shareholders of the Applicant Company, pursuant to an order dated October 16, 2015 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove ("Order"), to be held at Plot No. C-2, M.I.D.C. Tarapur Industrial Area, Boisar, District Palghar – 401506 on Friday, November 27, 2015 at 12.00 Noon, for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Mandhana Industries Limited ("Applicant Company" or "MIL" or "Demerged Company") and Mandhana Retail Ventures Limited ("Resulting Company" or "MRVL") and their respective shareholders and creditors ("Scheme"). The other definitions contained in the Scheme shall also apply to this Explanatory Statement.
2. A copy of the Scheme, setting out in detail terms and conditions of the arrangement, inter alia, providing for demerger of retail business undertaking of MIL into MRVL, which has been duly approved by the Board of Directors of the Applicant Company at its meeting held on November 22, 2014, is enclosed to this Explanatory Statement.
3. Background of the Companies:
 - 3.1 Mandhana Industries Limited
 1. Mandhana Industries Limited was incorporated as a private limited company under the Companies Act, 1956 on July 25, 1984, in the name of "Mandhana Textile Mills Private Limited" in Mumbai. A revised certificate of incorporation was issued in the name of "Mandhana Textile Mills Limited" on July 1, 1993 upon conversion into a public limited company. A fresh certificate of incorporation was then issued for change of name from "Mandhana Textile Mills Limited" to "Mandhana Industries Limited" on April 18, 1995. The company was then again converted into a private limited company in the name of "Mandhana Industries Private Limited" with effect from March 27, 2002. A fresh certificate of incorporation was thereafter issued for the change of name on conversion into a public limited company in the name of "Mandhana Industries Limited" on May 15, 2007.
 2. The registered office of the Applicant Company is situated at Plot No. C-3, M.I.D.C. Tarapur Industrial Area, Boisar, District Palghar – 401506, Maharashtra.
 3. The Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Company as on September 30, 2015 is as under:

Mandhana Industries Limited	
Particulars	Amount in Rs.
Authorised Share Capital	
A. 4,99,90,000 equity shares of Rs. 10/- each	49,99,00,000
B. 10,000, 0% redeemable preference shares of Rs. 10/- each	1,00,000
Total	50,00,00,000
Issued, Subscribed and Paid-up Share Capital	
3,31,23,913 equity shares of Rs. 10/- each, fully paid up	33,12,39,130

4. There has been no change in the capital structure of the Applicant Company as on date.
5. The equity shares of MIL are listed on BSE Limited and National Stock Exchange of India Limited.
6. The main objects of the MIL as set out in its Memorandum of Association are as under:
 1. *"To undertake and engaged in or to carry on the activity of textile processes like calendaring, sizing, dyeing, bleaching, shrinking, finishing, mercerizing, texturing, printing, stamping and other textile processes of yarns, threads, woven or non-woven fabrics, hosiery, knitted garments and apparels, made of cotton, jute, hemp silk, art silk, nylon, wool, synthetic, man-made fibres and filaments like terence, tricot, polyester and others being produced and used at present and as may be produced and used in future."*

3.2 Mandhana Retail Ventures Limited:

1. The Resulting Company, Mandhana Retail Ventures Limited was incorporated as a public limited company under the provisions of Companies Act, 1956 on February 12, 2011 in the State of Maharashtra.
2. The Resulting Company has its registered office situated at Plot No. E-132, M.I.D.C.Tarapur Industrial Area, Boisar 401506, Palghar, Maharashtra.
3. The Authorised, Issued, Subscribed and Paid-up Share Capital of MRVL as on September 30, 2015 is as under :-

Mandhana Retail Ventures Limited	
Particulars	Amount in Rs.
Authorised Share Capital	
3,00,00,000 equity shares of Rs. 10/- each	30,00,00,000
Issued, Subscribed and Paid-up Share Capital	
50,000 equity shares of Rs. 10/- each	5,00,000

There has been no change in the capital structure of MRVL as on date.

4. The equity shares of MRVL are not listed on any stock exchange.
5. The main objects of the MRVL as set out in its Memorandum of Association are as under:
 1. *"To carry on in India and abroad the business of acquiring, setting up, establishing, manufacturing, maintaining, promoting, operating, managing and dealing in single and/or multiple brands for garments, fabrics, apparels, fashion accessories through retail stores, retail formats, hyper markets, super markets, mega stores, discount stores, cash & carry, departmental stores, shoppers plaza and e-commerce and for such purpose to act as brand owner, licensee, franchisee, representative or distributors."*
 2. *To acquire, set up, establish, maintain, run promote, operate and manage retail stores, retail formats and other outlets, dealing in single and/or multiple brands for garments, fabrics, apparels, fashion accessories and for such purpose to act as a brand owner, licensee, franchisee, representative or distributor, in India and/or any part of the world;"*

4. Background of the Scheme

The Scheme provides for the demerger of the Demerged Undertaking of Mandhana Industries Limited, the Demerged Company into Mandhana Retail Ventures Limited, the Resulting Company pursuant to provisions of Sections 391 to 394 read with Section 100 to 103 and other applicable provisions of the Companies Act, 1956

- a) Demerger of retail business undertaking ("Demerged Undertaking") of Mandhana Industries Limited into Mandhana Retail Ventures Limited;
- b) Pursuant to the sanctioning of the Scheme, in consideration of the demerger, MRVL shall issue and allot to each member of the Demerged Company whose names are recorded in the register of members on the Record Date (the "Eligible Members"), 2 (two) equity shares of Rs. 10/- (Rupees ten only) each of the Resulting Company for every 3 (three) Demerged Company's equity shares held by an Eligible Member of the Demerged Company;
- c) Upon the Scheme coming into effect, and at the time of allotment, the existing shareholding of MRVL shall be cancelled;
- d) The Resulting Company shall apply for listing of its equity shares on BSE and National Stock Exchange of India Limited in terms of circulars issued by Securities and Exchange Board of India within 30 (thirty) days from the receipt of the order of the High Court. The equity shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing or trading permission is given by the stock exchanges.

5. Rationale of the Scheme

The Scheme of Arrangement between the Applicant Company provides for the transfer by way of a demerger of the Demerged Undertaking of the Applicant Company to the Resulting Company, the consequent issue of the securities by the Resulting Company to the shareholders of the Applicant Company and on a proportionate basis in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company. The separation of Demerged Undertaking, by way of Scheme, including its business, undertaking and investments from the Applicant Company will lead to significant benefits for both businesses including:-

- (a) Enhanced strategic flexibility to build a vibrant industrial platform;
- (b) Enable a dedicated management focus and to accelerate growth of the Retail Business; and
- (c) Access to varied sources of funds for the rapid growth of both businesses.

With a view to achieve the aforesaid growth potential, the Applicant Company proposes to re-organize and segregate, by way of the Scheme, its business, undertaking and investments in the Retail Business. The restructuring proposed by this Scheme will also provide an opportunity to the investors to select investments which best suit their investment strategies and risk profiles.

6. Salient features of the Scheme

The salient features of the Scheme are as follows:

- i. Appointed Date means the opening of business on April 1, 2014 or if the Board of the Demerged Company and the Resulting Company require any other date or the Court modifies the appointed date to such other date, then the same shall be the appointed date.
- ii. Effective Date means the last of the dates on which all the conditions and matters referred to in clause 17.1 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme.
- iii. Record Date means the date to be fixed by the Board of Directors of the Demerged Company for the purpose of determining the members of the Demerged Company to whom securities will be allotted pursuant to this Scheme;
- iv. With effect from the Appointed Date and upon this Scheme coming into effect, the Demerged Undertaking of the Demerged Company stand transferred to and be vested in the Resulting Company, as a going concern, without any further act or instrument and pursuant to the provisions of sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 together with all the properties, assets, rights, liabilities, benefits and interest therein, as more specifically described in the relevant clauses of the Scheme.
- v. With effect from the Appointed Date, the Demerged Undertaking, including all the estates, assets, investments, rights, claims, title, interest and authorities including accretions and appurtenances, intellectual property, contracts, deeds, bonds, agreement, schemes, arrangements and other instruments of whatsoever nature, liabilities, debts, duties and

obligations of the Demerged Undertaking shall without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in the Resulting Company as a going concern.

- vi. Pursuant to the sanctioning of the Scheme, in consideration of the demerger, MRVL shall issue and allot to each member of the Demerged Company whose names are recorded in the register of members on the record Date (the "Eligible Members"), 2 (two) equity shares of Rs. 10/- (Rupees ten only) each of the Resulting Company for every 3 (three) Demerged Company's equity shares held by an Eligible Member of the Demerged Company.
- vii. The Resulting Company shall apply for listing of its equity shares on BSE and National Stock Exchange of India Limited in terms of circulars issued by Securities and Exchange Board of India within 30 (thirty) days from the receipt of the order of the High Court. The equity shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing or trading permission is given by the stock exchanges.
- viii. With effect from the Appointed Date and up to and including the Effective Date:
 - (i) the Transferor Company shall be deemed to have been carrying on and shall carry on all business and activities relating to the Undertaking and stand possessed of the properties so to be transferred, for and on account of and in trust for the Transferee Company, including but without limitation, power generation and sale, acquisition and setting up of new power plants, investment in subsidiaries/other companies and payment of advance income tax and subsequent installments of income tax, sales tax, excise and other statutory levies, etc.
 - (ii) all incomes, profits, benefits and incentives accruing to the Transferor Company or losses arising or incurred by it relating to the Undertaking shall, for all purposes, be treated as the incomes, profits, benefits and incentives or losses, as the case may be, of the Transferee Company; and
 - (iii) the Transferee Company shall have the right to claim refund of payment of the taxes arising on account of transactions entered into between the Transferor Company and the Transferee Company between the Appointed date and the Effective date.
- ix. On and from the Effective Date, all employees of the Demerged Company in relation to the Demerged Company in service on the Effective Date shall become the employees of the Resulting Company on such date on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking.
- x. On this Scheme finally taking effect as aforesaid:
 - (i) All the properties of the Demerged Undertaking being transferred by the Demerged Company, as on the Appointed Date shall become the properties of the Resulting Company by virtue of this Scheme;
 - (ii) All the liabilities of the relatable to the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Company by virtue of this Scheme;
 - (iii) The shareholders holding not less than 3/4ths (three fourths) in value of the shares in the Demerged Company will become the shareholders of the Resulting Company (i.e. holders of securities) by virtue of the Demerger.
- xi. Upon coming into effect of the Scheme, all legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided in the Scheme, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be impleaded as a party to such proceedings and shall prosecute or defend such proceedings at its own right, cost, and in co-operation with the Demerged Company.
- xii. The Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) insofar as such liabilities and obligations relate to the period prior to the Appointed Date.
- xiii. The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred to in Clause 7.1 of the Scheme transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.
- xiv. In consideration of the Demerger, including the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall issue and allot to each member of the Demerged

Company whose names is recorded in the register of members on the Record Date (the “Eligible Members”), 2 (two) Equity Shares of Rs. 10/- (Rupees Ten only) each of the Resulting Company for every 3 (three) Demerged Company’s Equity Shares held by an Eligible Member of the Demerged Company. The Equity Shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and shall rank pari passu inter-se in all respects including dividends declared, voting and other rights.

- xv. The Resulting Company shall apply for listing of its Equity Shares on BSE and NSE in terms of SEBI Circulars within 30 (thirty) days from the receipt of the order of the High Court and in compliance of the SEBI Circulars. The Equity Shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing or trading permission is given by the Stock Exchanges.
- xvi. Unless otherwise determined by the Board of the Demerged Company and the Resulting Company or by the BSE or NSE, allotment of shares under this Scheme shall be completed within 30 (thirty) days from the date of receipt of the order of the High Court.
- xvii. Upon the Scheme coming into effect, and at the time of allotment, the existing shareholding of the Resulting Company shall be cancelled.
- xviii. The Scheme is conditional upon and subject to the approvals and/or sanctions laid down in Clause 17.1 of the Scheme.

Please note that the features set out above being only the salient features of the Scheme of Arrangement; the Equity Shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

8. Board Meeting, Valuation Report and Fairness Opinion

- i. The proposal for demerger was placed before the Audit Committee of the Applicant Company at its meeting held on November 22, 2014. The Audit Committee took into account the recommendations on the share entitlement ratio based on the Share Entitlement Report dated November 22, 2014 issued by M/s. SSPA & Co., Chartered Accountants for the demerger of Demerged Undertaking and the Fairness Opinion dated November 22, 2014 provided by M/s. Emkay Global Financial Services Limited.
- ii. The Board of Directors of the Applicant Company has taken into account and considered the recommendations of the Audit Committee, the recommendations of the share entitlement ratio provided by M/s. SSPA & Co., Chartered Accountants in their Share Entitlement Report dated November 22, 2014 and the Fairness Opinion provided dated November 22, 2014 provided by M/s. Emkay Global Financial Services Limited in relation to the share entitlement ratio.
- iii. Based on the advice/opinion and on the basis of independent judgment and evaluation, the Board of Directors of the Applicant Company has come to the conclusion that the share entitlement ratio is fair and reasonable and has approved the same at its meeting held on November 22, 2014. The Proposed Scheme of Arrangement was approved by the Board of Directors of the Applicant Company at the same meeting held on November 22, 2014.

9. Capital Structure Pre and Post Arrangement of Demerger:

Pre and Post Arrangement capital structure of Mandhana Industries Limited is as follows:

		Pre-Arrangement (as on September 30, 2015)		Post-Arrangement	
		No. of Shares	Amount (in Rs.)	No. of Shares	Amount (in Rs.)
A	Authorised Share Capital				
	Equity Shares of Rs.10/- each	4,99,90,000	49,99,00,000/-	4,99,90,000	49,99,00,000/-
	Preference Shares of Rs.10/- each	10,000	1,00,000/-	10,000	1,00,000/-
	Total Authorised Share Capital	5,00,00,000	50,00,00,000/-	5,00,00,000	50,00,00,000/-
B	Issued, Subscribed and Paid up Share Capital				
	Equity Shares of Rs. 10/- each	3,31,23,913	33,12,39,130/-	3,31,23,913	33,12,39,130/-

Pre-Arrangement capital structure of Mandhana Retail Ventures Limited is mentioned in paragraph 3.2(3) above. On the Scheme becoming effective, pursuant to the sanctioning of the Scheme, Mandhana Retail Ventures Limited in consideration of the demerger, shall issue and allot to each member of the Demerged Company whose names are recorded in the register of members on the record Date (the “Eligible Members”), 2 (two) equity shares of Rs. 10/- (Rupees ten only) each of the Resulting Company for every 3 (three) Demerged Company's equity shares held by an Eligible Member of the Demerged Company.

The post-arrangement capital structure (projected) of Mandhana Retail Ventures Limited is as follows:

		Post-Arrangement (Projected)	
		No. of Shares	Amount (in Rs.)
A	Authorised Share Capital		
	Equity Shares of Rs. 10/- each, fully paid up	3,00,00,000	30,00,00,000/-
	Preference Shares of Rs. 10/-	Nil	Nil
	Total Authorised Share Capital	3,00,00,000	30,00,00,000/-
B	Issued, Subscribed and Paid up Share Capital (projected)		
	Equity Shares of Rs. 10/- each, fully paid-up	2,20,82,609	22,08,26,090/-

10. Pre and Post Arrangement of Demerger Shareholding Pattern:

Pursuant to Clause 24(h) of the Listing Agreement with the stock exchanges, the Pre / Post-Arrangement shareholding pattern of MIL and MRVL is given below:

- A. The pre-arrangement shareholding pattern of the Equity Shares of Demerged Company, MIL as on September 30, 2015 is given below:

	Category of shareholder	Pre-arrangement		
		Number of shareholders	Total number of shares	% of total number of shares
(A)	Shareholding of Promoter and Promoter Group			
1	Indian			
(a)	Individuals/ Hindu Undivided Family	33	22,288,498	67.29
(b)	Central Government/ State Government(s)	-	-	-
(c)	Bodies Corporate	1	1,497,783	4.52
(d)	Financial Institutions/ Banks	-	-	-
(e)	Any Other (specify)	-	-	-
	Sub-Total (A)(1)	34	23,786,281	71.81
2	Foreign			
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-
(b)	Bodies Corporate	-	-	-
(c)	Institutions	-	-	-
(d)	Any Other (specify)	-	-	-
	Sub-Total (A)(2)	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	34	23,786,281	71.81
(B)	Public shareholding			
1	Institutions			

	Category of shareholder	Pre-arrangement		
		Number of shareholders	Total number of shares	% of total number of shares
(a)	Mutual Funds/ UTI	1	144	0.00
(b)	Financial Institutions/ Banks	2	635,640	1.92
(c)	Central Government/ State Government(s)	-	-	-
(d)	Venture Capital Funds	-	-	-
(e)	Insurance Companies	3	1,074,768	3.24
(f)	FII's	4	193,418	0.58
(g)	Foreign Venture Capital Investors	-	-	-
(h)	Qualified Foreign Investors	-	-	-
(i)	Any Other (specify)	-	-	-
	Sub-Total (B)(1)	10	1,903,970	5.75
2	Non-institutions			
(a)	Bodies Corporate	137	5,654,542	17.07
(b)	Individuals			
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	1,731	518,543	1.57
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	21	756,038	2.28
(c)	Qualified Foreign Investors	-	-	-
(d)	Any Other (Specify)			
	i) Directors/Relative	1	20,000	0.06
	ii) Clearing Member	37	185,396	0.56
	iii) NRI (Repat)	14	15,355	0.05
	iv) NRI (Non Repat)	6	1,242	0.00
	v) Hindu Undivided Family	109	282,546	0.85
	Sub-Total (B)(2)	2,056	7,433,662	22.44
	Total Public Shareholding (B) = (B)(1)+(B)(2)	2,066	9,337,632	28.19
	TOTAL (A)+(B)	2,100	33,123,913	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued:	-	-	-
	i) Promoter and Promoter Group	-	-	-
	ii) Public	-	-	-
	Sub -Total (C)	-	-	-
	GRAND TOTAL (A)+(B)+(C)	2,100	33,123,913	100.00

There would be no change in the post-arrangement shareholding pattern of the Equity Shares of the Demerged Company consequent to the sanctioning of the Scheme.

- B. The pre-arrangement shareholding pattern of the Equity Shares of the Resulting Company, MRVL as on September 30, 2015 and the post-arrangement (projected) shareholding pattern consequent to the sanctioning of the Scheme, is given below:

	Category of shareholder	Pre-arrangement			Post-arrangement (projected)		
		Number of shareholders	Total number of shares	% of total number of share	Number of shareholders	Total number of shares	% of total number of shares
(A)	Shareholding of Promoter and Promoter Group						
1	Indian						
(a)	Individuals/ Hindu Undivided Family	7	50,000	100.00	33	14,858,999	67.29
(b)	Central Government/ State Government(s)	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	1	998,522	4.52
(d)	Financial Institutions/ Banks	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	Sub-Total (A)(1)	7	50,000	100.00	34	15,857,521	71.81
2	Foreign						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	50,000	100.00	34	15,857,521	71.81
(B)	Public shareholding						
1	Institutions						
(a)	Mutual Funds/ UTI	-	-	-	1	96	0.00
(b)	Financial Institutions/ Banks	-	-	-	2	423,760	1.92
(c)	Central Government/ State Government(s)	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	3	716,512	3.24
(f)	FII's	-	-	-	4	128,945	0.58
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-
(h)	Qualified Foreign Investors	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	10	1,269,313	5.75
2	Non-institutions						
(a)	Bodies Corporate	-	-	-	137	3,769,695	17.07
(b)	Individuals						
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	-	-	-	1,731	345,695	1.57
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	-	21	504,025	2.28
(c)	Qualified Foreign Investors	-	-	-	-	-	-

	Category of shareholder	Pre-arrangement			Post-arrangement (projected)		
		Number of shareholders	Total number of shares	% of total number of share	Number of shareholders	Total number of shares	% of total number of shares
(d)	Any Other (Specify)						
	i) Directors/Relative	-	-	-	1	13,334	0.06
	ii) Clearing Member	-	-	-	37	123,597	0.56
	iii) NRI (Repat)	-	-	-	14	10,237	0.05
	iv) NRI (Non Rept)	-	-	-	6	828	0.00
	v) Hindu Undivided Family	-	-	-	109	188,364	0.85
	Sub-Total (B)(2)	-	-	-	2,056	4,955,775	22.44
	Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	-	2,066	6,225,088	28.19
	TOTAL (A)+(B)	7	50,000	100.00	2,100	22,082,609	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued :						
	i) Promoter and Promoter Group	-	-	-	-	-	-
	ii) Public	-	-	-	-	-	-
	Sub -Total (C)	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	7	50,000	100.00	2,100	22,082,609	100.00

11. Extent of Shareholding of Directors and Key Managerial Personnel

- a) There are no common Directors in the Applicant Company and the Resulting Company except the following directors:
- Mr. Purushottam Chhaganlal Mandhana who is the Managing Director of the Applicant Company and Director of the Resulting Company.
 - Mr. Manish Biharilal Mandhana who is the Joint-Managing Director of the Applicant Company and Director of the Resulting Company.
 - Mr. Biharilal Chhaganlal Mandhana who is the Executive Director of the Applicant Company and Director of the Resulting Company.
- b) None of the Directors or Key Managerial Personnel (KMPs) of the Applicant Company and the Resulting Company, or their relatives, have any material interest in the Scheme except to the extent of shares held by them in the Applicant Company or the Resulting Company. The shareholding of the said Directors and KMPs is provided hereinbelow. The effect of the Scheme on interests of the Directors and KMPs and their relatives, is not any different from the effect of the Scheme on like interests of other persons. The shareholding of the present Directors and KMPs of the Applicant Company and the Resulting Company, as on September 30, 2015, is as under :

Shareholding of Directors and Key Managerial Personnel of Applicant Company

Sr. No.	Name of the Directors	Designation	Equity Shares in MIL	Equity Shares in MRVL
1.	Mr. Purushottam Mandhana	Managing Director	21,13,681	8,316
2.	Mr. Biharilal Mandhana	Executive Director	16,92,070	6,238
3.	Mr. Manish Mandhana	Jt. Managing Director	22,27,524	6,238
4.	Mr. Khurshed Thanawalla	Independent Director	NIL	NIL
5.	Mr. Ghyanendra Nath Bajpai	Independent Director	20,000	NIL
6.	Mr. Dilip Karnik	Independent Director	NIL	NIL
7.	Mr. Prashant Asher	Independent Director	NIL	NIL
8.	Mrs. Sangeeta Mandhana	Non-Executive Director	14,00,170	6,237
9.	Mr. Vinay Sampat	Company Secretary	NIL	NIL

Shareholding of Directors and Key Managerial Personnel of Resulting Company

Sr. No.	Name of the Directors	Designation	Equity Shares in MIL	Equity Shares in MRVL
1.	Mr. Purushottam Mandhana	Director	21,13,681	8,316
2.	Mr. Biharilal Mandhana	Director	16,92,070	6,238
3.	Mr. Manish Mandhana	Director	22,27,524	6,238

12. Approvals

- i. Pursuant to the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India ("SEBI Circular") read with Clause 24(f) of the Listing Agreement, the Applicant Company had filed necessary applications before the BSE Limited as well as National Stock Exchange of India Limited seeking its no-objection to the Scheme. The Applicant Company received Observation Letters dated September 11, 2015 and September 14, 2015 from BSE Limited and National Stock Exchange of India Limited, respectively conveying its no-objection to the Scheme. Copies of the aforesaid observation letters are enclosed herewith.
- ii. As required by the SEBI Circular, the Applicant Company has filed the Complaints Report (indicating NIL complaint) with BSE Limited and National Stock Exchange of India Limited on June 12, 2015. After filing of the Complaints Report, the Applicant Company has received NIL complaints. A copy of the aforementioned Complaints Report is enclosed herewith.

13. General

- a) The Scheme is not prejudicial to the interests of the members of the Applicant Company. Pursuant to this Scheme becoming effective, the Resulting Company (i.e. MRVL) shall apply for listing of its Equity Shares on BSE and NSE in terms of SEBI Circulars within 30 (thirty) days from the receipt of the order of the High Court and in compliance of the SEBI Circulars.
- b) The financial position of the Applicant Company will not be adversely affected by this Scheme. Further, the rights and interests of the shareholders and creditors (secured and unsecured) of either of the companies will not be prejudicially affected by this Scheme as the Applicant Company, post this Scheme, will be able to meet its liabilities as they arise in the ordinary course of business.
- c) The latest audited accounts of the Applicant Company as on March 31, 2015 indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the concerned companies would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the arrangement of a demerger will not cast any additional burden on the shareholders or creditors of either company, nor will it affect the interest of any of the shareholders or creditors.
- d) The Directors of the Applicant Company have no material interest in the Scheme except as shareholders in general, the extent of which will appear from the Register of Directors shareholding maintained by the Applicant Company.
- e) There are no winding up proceedings pending against the Applicant Company as of date.
- f) No investigation or proceedings have been instituted or are pending in relation to the Applicant Company under Section 235 to 251 and the like of the Act and corresponding provisions of Companies Act, 2013 notified thereto.
- g) In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, 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.
- h) Inspection of the following documents may be had by the Equity Shareholders of the Applicant Company at the Registered Office of the Applicant Company on any working day (except Saturdays) prior to the date of the meeting between 10.30 a.m. and 2.30 p.m.:
 - i. Copy of the Order dated October 16, 2015 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 814 of 2015 directing the convening of the meeting of the Equity Shareholders of MIL
 - ii. Copy of the Company Summons for Directions No.814 of 2015.
 - iii. Memorandum of Association and Articles of Association of MIL and MRVL.

- iv. Audited Financial Statements of MIL and MRVL for last three financial years ended March 31, 2015, March 31, 2014 and March 31, 2013.
- v. Register of Director's Shareholdings of MIL.
- vi. Copy of the Observation Letters dated September 11, 2015 and September 14, 2015 received from BSE Limited and National Stock Exchange of India Limited, respectively.
- vii. Copy of the Complaints Report dated June 10, 2015 filed with BSE Limited and dated June 10, 2015 filed with National Stock Exchange of India Limited.
- viii. Share Entitlement Report dated November 22, 2014 issued by M/s. SSPA & Co., Chartered Accountants.
- ix. Fairness Opinion dated November 22, 2014 issued by M/s. Emkay Global Financial Services Limited.
- i) This statement may be treated as an Explanatory Statement pursuant to Section 393 of the Companies Act, 1956.
- j) A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting between 10.30 a.m. and 2.30 p.m. from the Registered Office of the Applicant Company situated at Plot No. C-3, M.I.D.C. Tarapur Industrial Area, Boisar, District Palghar- 401506, Maharashtra and/or at the Advocate appearing for the Applicant Company, Chitnis & Co., having its office at Chitnis & Co., Unit No.09, 2nd Floor, Jeevan Vihar Building, 75, Alkesh Dinesh Modi Marg (Mumbai Samachar Marg), Near Bombay Stock Exchange, Opp. Union Bank of India, Fort, Mumbai – 400001.

Sd/-
Purushottam C. Mandhana,
Chairman appointed for the meeting

Place : Mumbai
Date : October 16, 2015
CIN : L17120MH1984PLC033553

Registered office:

Plot No. C-3, M.I.D.C. Tarapur Industrial Area,
Boisar, District Palghar- 401506, Maharashtra

**SCHEME OF ARRANGEMENT FOR THE DEMERGER
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956
BETWEEN**

A. PREAMBLE

This Scheme provides for the demerger of the Demerged Undertaking of Mandhana Industries Limited, the Demerged Company into Mandhana Retail Ventures Limited, the Resulting Company pursuant to provisions of Sections 391 to 394 read with Section 100 to 103 and other applicable provisions of the Act.

B. DESCRIPTION OF COMPANIES

- (i) Mandhana Industries Limited is a public limited company incorporated under the Companies Act, 1956 (“Act”) on the 25th day of July 1984, and has its registered office address at Plot No.C-3 M.I.D.C, Tarapur Industrial Area, Boisar - 401506, Maharashtra, India (the “Demerged Company”). The Corporate Identity Number of the Demerged Company is L17120MH1984PLC033553. The Demerged Company is primarily engaged in the business of textile processes like calendaring, sizing, dyeing, bleaching, shrinking finishing, mercerizing, texturing printing stamping and other textile processes of yarns, threads, woven or non-woven fabrics, hosiery, knitted garments and apparels, made of cotton, jute, hemp silk, art silk, nylon, Wool, synthetic, man-made fibres and filaments like terence, tricot, polyester and others being produced and used at present and as may be produced and used in future. The Demerged Company is also engaged in the retail business and currently holds exclusive license for the manufacture and merchandising of products under the brand Being Human (the “Retail Business”). The Demerged Company’s equity shares are listed on BSE Limited (the “BSE”) and National Stock Exchange of India Limited (the “NSE”).
- (ii) Mandhana Retail Ventures Limited is a public limited company incorporated under the Act on the 12th day of February 2011, and has its registered office address at Plot No. E-132, M.I.D.C., Tarapur Industrial Area, Boisar – 401506, Maharashtra, India (the “Resulting Company”). The Corporate Identity Number of the Resulting Company is U52390MH2011PLC213349. The Resulting Company is primarily engaged in the business of: (i) acquiring, setting up, establishing, manufacturing, maintaining, promoting, operating, managing and dealing in single and/or multiple brands for garments, fabrics, apparels, fashion accessories through retail stores, retail formats, hyper markets, super markets, mega stores, discount stores, cash & carry, departmental stores, shoppers plaza and e-commerce and for such purpose to act as brand owner, licensee, franchisee, representative or distributors; and (ii) acquiring, setting up, establishing, maintaining, running, promoting, operating and managing retail stores, retail formats and other outlets, dealing in single and/or multiple brands for garments, fabrics, apparels, fashion accessories and for such purpose to act as a brand owner, licensee, franchisee, representative or distributor, in India and/or any part of the world. The Resulting Company proposes to carry on the Retail Business after the Effective Date.

C. RATIONALE

- (i) This Scheme provides for the transfer by way of a demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company, the consequent issue of the securities by the Resulting Company to the shareholders of the Demerged Company and on a proportionate basis in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company.
- (ii) The separation of the Retail Business, by way of Scheme, including its business, undertaking and investments from the Demerged Company will lead to significant benefits for both businesses including:-
 - (a) Enhanced strategic flexibility to build a vibrant industrial platform;
 - (b) Enable a dedicated management focus and to accelerate growth of the Retail Business; and
 - (c) Access to varied sources of funds for the rapid growth of both businesses.
- (iii) With a view to achieve the aforesaid growth potential, the Demerged Company proposes to re-organize and segregate, by way of the Scheme, its business, undertaking and investments in the Retail Business. The restructuring proposed by this Scheme will also provide an opportunity to the investors to select investments which best suit their investment strategies and risk profiles.
- (iv) The Scheme does not have any adverse effect on either the shareholders or the employees or the creditors of the Demerged Company.
- (v) The demerger under this scheme will be affected under the provisions of Sections 391 to 394 read with Section 101 to 103 and other relevant provisions of the Act. The demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961 such that:

- (a) All the properties of the Demerged Undertaking being transferred by the Demerged Company, as on the Appointed Date shall become the properties of the Resulting Company by virtue of this Scheme;
 - (b) All the liabilities of the relatable to the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Company by virtue of this Scheme;
 - (c) The properties and the liabilities relatable to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company at values appearing in the books of account of the Demerged Company immediately before the Demerger;
 - (d) The Resulting Company shall issue, in consideration of the Demerger, securities to the shareholders of the Demerged Company on a proportionate basis;
 - (e) The shareholders holding not less than 3/4ths (three fourths) in value of the shares in the Demerged Company will become the shareholders of the Resulting Company (i.e. holders of securities) by virtue of the Demerger; and
 - (f) The transfer of the Demerged Undertaking shall be on a going concern basis.
- (vi) The Scheme shall be in compliance with the applicable guidelines issued by the Securities and Exchange Board of India including particularly the circular being CIR/CFD/DIL/5/2013 dated 4th February 2013 and circular CIR/CFD/DIL/8/2013 dated 21st May, 2013 and any subsequent amendments thereof (collectively referred to as "SEBI Circulars").

D. GENERAL

The Scheme is divided into the following parts:

- (a) Part I, which deals with the definitions and interpretations;
- (b) Part II, which deals with the demerger;
- (c) Part III, which deals with the issuance and allotment of securities by the Resulting Company;
- (d) Part IV, which deals with the accounting treatment;
- (e) Part V, which deals with general terms and conditions.

PART I

1. DEFINITIONS AND INTERPRETATION

1.1. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- (i) "Act" means the Companies Act, 1956 and the Companies Act, 2013 and shall include any statutory modification, amendment or re-enactment for the time being in force and any rules notified thereto;
- (ii) "Appointed Date" means the opening of business on 1st April, 2014 or if the Board of the Demerged Company and the Resulting Company require any other date or the Court modifies the appointed date to such other date, then the same shall be the appointed date;
- (iii) "Board of Directors" or "Board" in relation to Demerged Company and Resulting Company, as the case may be, means the board of directors of such company and shall include a committee duly constituted and authorized for the purposes of matters pertaining to the Demerger, the Scheme and/or any other matter relating thereto;
- (iv) "BSE" means the Bombay Stock Exchange Limited wherein the Demerged Company's equity shares are listed;
- (v) "Retail Business" shall have the meaning ascribed to it in Recital B;
- (vi) "Demerged Company" shall have the meaning ascribed to it in Recital B;
- (vii) "Demerged Company Equity Share(s)" means each equity share of the Demerged Company having a face value of Rs 10/- (Rupees ten only) fully paid up;
- (viii) "Effective Date" means the last of the dates on which all the conditions and matters referred to in clause 17.1 occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'upon the Scheme becoming effective', or 'effectiveness of the Scheme' and other similar expressions shall mean the Effective Date;
- (ix) "Demerged Undertaking" means and includes:

all the assets and properties of the Retail Business as on the Appointed Date i.e. all the undertakings, the entire business, all the properties (whether movable or immovable - freehold or leasehold, tangible or intangible), plant and machinery, buildings and structures, offices, residential and other premises, capital work in progress, furniture, fixture, office equipment, appliances, accessories, power lines, deposits, stocks, assets, investments of all kinds and in all forms, cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases, hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permissions, permits, quotas, rights, entitlements, guarantees, authorizations, approvals, agreements, contracts, leases, licenses, registrations, tenancies, benefits of

assets or properties or other interest held in trust, benefits of all taxes including but not limited to Minimum Alternate Tax ("MAT") paid under Section 115JA/115JB of the Income Tax Act, 1961 ("IT Act"), advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, MAT credit under the provisions of the IT Act, right to claim deductions under Section 80-IA of the IT Act including its continuing benefits; engagements, arrangements of all kinds, exemptions, benefits, incentives, privileges and rights under State tariff regulations and under various laws; loan agreements, titles, interests, trade and service names and marks, patents, copyrights, and other intellectual property rights to use and avail of telephones, telexes, facsimile, email, interest, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records, and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Retail Business or which have accrued to the Retail Business as on the Appointed Date, whether in India or abroad;

- (x) "High Court" means the High Court of Judicature at Bombay having jurisdiction in relation to the Demerged Company and Resulting Company to which this Scheme is submitted for approval under Sections 391 to 394. In the event that the Central Government by a notification to this effect constitutes a National Company Law Tribunal or any other authority or forum, and the proceedings under Section 391 to 394 of the Act pursuant to this Scheme are transferred to such tribunal, authority or forum, the term "Court" or "High Court" shall be deemed to include the National Company Law Tribunal or such other authority or forum;
- (xi) "Intellectual Property" means all patents, copyrights, designs, trademarks, trade names, service marks, service names, domain names, email addresses, websites, including all contents of the websites, trade dress, logos and corporate names, both primary and secondary, trade secrets, know-how, inventions, processes, systems, computer software, data, reports, instructions, source code, machine code, documentation, manuals, algorithms, flow-charts, diagrams, drawings, notes, exploitation of any present or future technologies, other confidential information, including proposals, financial and accounting data, business and marketing plans, customer and supplier lists, sales targets, sales statistics, market share statistics, marketing surveys and reports, marketing research and any advertising or other promotional and related information and any databases (electronic or otherwise) containing any of the foregoing, and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist in India or in any other part of the world, including registrations and applications for registration of any of the foregoing in any jurisdiction and the rights to apply for the same, in each case by whatever name called and whether or not registered, and in each case owned and/or used by the Retail Business;
- (xii) "NSE" means the National Stock Exchange of India Limited wherein the Demerged Company's equity shares are listed;
- (xiii) "Record Date" means the date to be fixed by the Board of Directors of the Demerged Company for the purpose of determining the members of the Demerged Company to whom securities will be allotted pursuant to this Scheme;
- (xiv) "Registrar of Companies" means the Registrar of Companies, Mumbai;
- (xv) "Remaining Business" means all the undertakings, business activities, activities and operations (including all investments) of the Demerged Company other than those comprised in the Demerged Undertaking;
- (xvi) "Remaining Employees" means all the permanent employees of the Demerged Company other than the Transferred Employees;
- (xvii) "Resulting Company" shall have the meaning ascribed to it in Recital B;
- (xviii) "Resulting Company Equity Share" means each equity share of the Resulting Company having a face value of Rs. 10/- (Rupees Ten only) fully paid-up;
- (xix) "Scheme" means this Scheme of Arrangement, including the schedules, in its present form as approved by the Board of Directors of the Demerged Company and Resulting Company subject to such modifications made pursuant to Clause 18 of this Scheme or as the High Court may direct;
- (xx) "SEBI Circulars" means the circulars issued by Securities and Exchange Board of India being circular bearing CIR/CFD/DIL/5/2013 dated 4th February 2013 and circular CIR/CFD/DIL/8/2013 dated 21st May, 2013 and any subsequent amendments thereof
- (xxi) "Stock Exchanges" mean the BSE and the NSE;
- (xxii) "Transferred Employees" means all the permanent employees of the Demerged Company employed or engaged in the services of the Demerged Undertaking as on the Effective Date; and
- (xxiii) "Transferred Liabilities" shall have the meaning ascribed to it in Clause 5.4

1.2. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

1.3. References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.

1.4. The headings hereinafter shall not affect the construction of this Scheme.

- 1.5. The Clause more specific to a situation or event shall apply in preference to a general clause.
- 1.6. When any number of days is prescribed in this Scheme, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a business day, in which case the last day shall be the next succeeding day that is a business day.
- 1.7. The singular shall include the plural and vice versa; and reference to one gender include all genders.
- 1.8. Any phrase introduced by the terms “including”, “include”, “in particular”, “such as” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.9. References to person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- 1.10. The Schedules to this Scheme form an integral and inseparable part of this Scheme.

2. SHARE CAPITAL

2.1. Demerged Company

The share capital of the Demerged Company as on 31st December, 2014 is as under:

Authorized Share Capital			
Particulars	Face Value	Number of Shares	Amounts (in Rs.)
Equity Shares	Rs. 10	4,99,90,000	49,99,00,000
Preference Shares	Rs. 10	10,000	1,00,000
Total			50,00,00,000
Issued, Subscribed and Paid-up Share Capital			
Equity Shares	Rs. 10	3,31,23,913	331,239,130

2.2. Resulting Company:

The share capital structure of the Resulting Company as on 19th January, 2015 is as under:

Authorized Share Capital			
Particulars	Face Value	Number of Shares	Amounts (in Rs.)
Equity Shares	Rs. 10	300,00,000	30,00,00,000
Total			30,00,00,000
Issued, Subscribed and Paid-up Share Capital			
Equity Shares	Rs. 10	50,000	5,00,000

PART II - DEMERGER

SECTION 1 – Transfer and Vesting of the Demerged Assets

3. TRANSFER OF ASSETS

- 3.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Demerged Undertaking, including all the estates, assets, investments, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking shall, subject to the provisions of this Clause 3 in relation to the mode and transfer and vesting and pursuant to the provisions of Section 394(2) of the Act, without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and shall be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become, as and from the Appointed Date, the Demerged Undertaking, including all the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme.
- 3.2. The value of assets pertaining to the Demerged Undertaking being transferred to and vesting with the Resulting Company in accordance with this Scheme on the basis of Book Value as set out in the balance sheet of the Demerged Company as on March 31, 2014. For the purpose of this clause, the term “Book Value” means, the value(s) of the assets and liabilities of the Demerged Undertaking as appearing in the books of accounts of the Demerged Company at the close of the business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation of any assets.
- 3.3. In respect of such of the assets including cash and bank balances, units of mutual funds, market instruments and other securities part of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement and delivery (including investments in shares and securities, whether held in physical or dematerialized form), the same shall stand so

transferred by the Demerged Company upon the coming into effect of the Scheme, and be deemed to be transferred by delivery or possession or by endorsement and delivery and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date pursuant to the provisions of Section 394(2) of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of the Scheme.

- 3.4. In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in Clause 3.2 above, the same shall, as more particularly provided in Clause 3.1 above, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and vested in and/or be deemed to be demerged from the Demerged Company and transferred to vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Section 391 to 394 of the Act.
- 3.5. All assets, right, title, interest and investments of the Demerged Company in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- 3.6. Notwithstanding anything stated hereinabove, the value of moveable assets comprising of investment, units of mutual funds, market instrument or other securities (including accretions thereto) in relation to the Demerged Undertaking shall be transferred to and vested in the Resulting Company in such modes and manner as may be mutually agreed upon by the respective Board of the Demerged Company and Resulting Company.

Intellectual Property

- 3.7. The Intellectual Property shall be transferred to and be deemed to be transferred to and vested in the Resulting Company pursuant to this Scheme, upon the coming into effect of the Scheme with effect from the Appointed Date pursuant to the provisions of Section 394(2) of the Act, and the Demerged Company and Resulting Company shall execute necessary documentation to give effect to the provisions of this Scheme.

4. CONTRACTS, DEEDS ETC.

- 4.1. Upon coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreement, schemes, arrangements and other instruments of whatsoever nature (which shall include, without limitation, vendor contracts, annual maintenance contracts and licenses for use of software) in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of 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 oblige thereto or thereunder.
- 4.2. Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company.

5. TRANSFER OF LIABILITIES

- 5.1. Upon the coming into effect of the Scheme, all loans raised and used, debts, liabilities, duties and obligations (including the liabilities which arise out of the business activities or operations of the Demerged Undertaking) of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company at their closing book values as on 31st March, 2014 and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.
- 5.2. Where any of the loans raised and used, debts, liabilities, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- 5.3. Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking with effect from the Appointed Date and prior to the Effective Date, and subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for an on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed by and stand transferred to and be deemed to be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.
- 5.4. In so far as the existing Encumbrance in respect of the loans, borrowings, debts and liabilities (the "Transferred Liabilities") is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme.

Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Transferred Liabilities, such assets shall remain unencumbered

and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- 5.5. For the avoidance of any doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance over such assets relating to the Transferred Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrance relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 5.6. Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company shall execute any instrument/s and/or documents and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.
- 5.7. Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such Transferred Liabilities.
- 5.8. It is expressly provided that save as mentioned in this Clause 5, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 5.9. Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 5 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

6. EMPLOYEES

- 6.1. Upon the coming into effect of this Scheme, the Transferred Employees shall become the employees of the Resulting Company with effect from the Appointed Date and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Transferred Employees with the Demerged Company shall also be taken into account, and paid (as and when payable by the Resulting Company). The Remaining Employees will continue to be employees of the Demerged Company on their existing terms and conditions.
- 6.2. Upon the coming into effect of this Scheme, all consultants, retainers and other persons engaged in the Demerged Undertaking (other than Transferred Employees) on a non-permanent basis, shall become consultants, retainers and persons engaged by the Resulting Company with effect from the Appointed Date and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking.
- 6.3. Insofar as the existing provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company inter alia for the Transferred Employees are concerned (collectively referred to as the "Funds"), the funds and such investments made by the Funds which are referable to the Transferred Employees in terms of Clause 6.1 above shall be transferred to the similar Funds created by the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company does not have its own Funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own Funds, at which time the funds and the investments and contributions to the Transferred Employees shall be transferred to the Funds created by the Resulting Company.
- 6.4. In relation to those Transferred Employees who are not covered under the provident fund trust of the Demerged Company, and for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Transferred Employees.
- 6.5. If any exemptions granted by the Regional Provident Fund Commissioner, or any other competent authority under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952, to the Demerged Company and its subsidiaries, joint ventures and associates, if any, required re-issue or renewal on account of the Scheme, the Demerged Company shall, and shall cause its subsidiaries, joint ventures and associates to, apply for the reissue or renewal, and the Regional Provident Fund Commissioner or any other competent authority shall grant the same such that the privileges, rights and benefits of Transferred Employees continue uninterrupted.
- 6.6. In relation to any other fund created or existing for the benefit of the Transferred Employees being transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Transferred Employees.
- 6.7. In so far as the existing benefits or funds created by the Demerged Company for the Remaining Employees are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the Remaining Employees.

7. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 7.1. Upon coming into effect of this Scheme, all legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be impleaded as a party to such proceedings and shall prosecute or defend such proceedings at its own right, cost, and in co-operation with the Demerged Company.
- 7.2. If any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 7.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 7.3. The Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) insofar as such liabilities and obligations relate to the period prior to the Appointed Date.
- 7.4. The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred to in Clause 7.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.
- 7.5. Any refund or tax credit under the Income Tax Act, 1961 due to the Demerged Company, which is pertaining to the business of the Demerged Undertaking consequent to the assessment made on the Demerged Company, and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date, shall also belong to and be received or credit availed, as the case may be, by the Resulting Company.

SECTION 2 – Conduct of Business

8. With effect from the Appointed Date and up to and including the Effective Date:
- (i) the Demerged Company shall be carrying on and be deemed to have been carrying on all business activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for the Demerged Undertaking for an on account of, and in trust for, the Resulting Company;
- (ii) all profits and income accruing or arising to the Demerged Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it [including taxes (including advance tax), if any, accruing or paid in relation to any profits or income] relating to the Demerged Undertaking for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company. It is clarified that the profits and income from the investment of the Demerged Undertaking (including income in the nature of interest, dividend or capital gains, if any) shall be deemed to accrue or arise to the Resultant Company in the same proportion that the cash and cash equivalents (including units of mutual funds, market instrument and other securities) belonging to the Demerged Undertaking bear to the aggregate of investments by the Demerged Company yielding such income (such proportionate profit and income attributable to the Resulting Company being the “Attributable Income”). For this purpose, the Attributable Income shall be determined by the Demerged Company as per generally accepted accounting methodology, and added to the cash surpluses of the Demerged Undertaking at the end of every quarter; and
- (iii) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for an on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken for an on behalf of and as an agent for the Resulting Company and the Resulting Company shall undertake to meet discharge and satisfy the same.

Without prejudice to the generality of the above, in the case of movable assets being book debts, the same shall in the first instance be realized by the Demerged Company in its hand and shall thereafter be paid by the Demerged Company to the Resulting Company and this arrangement shall operate even after the Effective Date so long as it is necessary.

SECTION 3 – Remaining Business

9. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, subject only to provisions of this Scheme in relation to Encumbrances in favour of banks, financial institutions.
10. All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company in respect of the matters referred as aforesaid, it shall defend the same in accordance with the advice of

the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

11. With effect from the Appointed Date and up to and including the Effective Date:
- (i) the Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - (ii) all profits accruing to the Demerged Company thereon or losses arising or incurred by it [including the effect of taxes (including advance taxes paid), if any, thereon] relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company;
 - (iii) all assets and properties acquired and all liabilities incurred by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company; and
 - (iv) all assets acquired and all liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date for operation of and in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions.

PART III – ISSUANCE AND ALLOTMENT OF SECURITIES BY THE RESULTING COMPANY

12. The provisions of this Part III of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.

13. ISSUANCE AND ALLOTMENT OF SECURITIES

- 13.1. In consideration of the Demerger, including the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall issue and allot to each member of the Demerged Company whose names is recorded in the register of members on the Record Date (the “Eligible Members”), 2 (two) Equity Shares of Rs.10/- (Rupees Ten only) each of the Resulting Company for every 3 (three) Demerged Company’s Equity Shares held by an Eligible Member of the Demerged Company.
- 13.2. Upon the Scheme coming into effect, and at the time of allotment, the existing shareholding of the Resulting Company shall be cancelled. Wherever applicable, the Resulting Company may, instead of requiring the surrender of the share certificates of the Resulting Company, directly issue and despatch the new share certificates of the Resulting Company in lieu thereof. In the event the Demerged Company has received notice from any member that equity shares are to be issued in certificate form or if any member has not provided the requisite details relating to the account with a depository participant or other confirmations as may be required, then the Resulting Company shall issue equity shares in certificate form to such shareholder.
- 13.3. In case any member’s shareholding in the Demerged Company is such that such member becomes entitled to a fraction of one Equity Share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such member and shall consolidate such fractions and issue the consolidated Equity Shares to a trustee nominated by the Board of the Demerged Company in that behalf, who shall sell and distribute the net sale proceeds (after deduction of the expenses incurred) to such members in proportion to their respective fractional entitlements. During consolidation of the fractional entitlements, if the sum of such fractional entitlements is not a whole integer, the Resulting Company shall issue such additional fractional Equity Share to the trustee, such that the total Equity Shares so issued shall be rounded off to the next whole integer. The issue of the fractional share by the Resulting Company to the trustee shall form an integral part of the consideration to be paid under the Scheme and that no separate process as may be applicable under the Act, to that extent, shall be required to be followed by the Resulting Company.
- 13.4. In respect of such of the Equity Shares of the Demerged Company as are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company.
- 13.5. The Equity Shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and shall rank pari passu inter-se in all respects including dividends declared, voting and other rights. The issue and allotment of Equity Shares of Resulting Company in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.
- 13.6. The Resulting Company shall apply for listing of its Equity Shares on BSE and NSE in terms of SEBI Circulars within 30 (thirty) days from the receipt of the order of the High Court and in compliance of the SEBI Circulars. The Equity Shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing or trading permission is given by the Stock Exchanges.
- 13.7. Unless otherwise determined by the Board of the Demerged Company and the Resulting Company or by the BSE or NSE, allotment of shares under this Scheme shall be completed within 30 (thirty) days from the date of receipt of the order of the High Court.
- 13.8. There shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the date of listing which may affect the basis on which the approval is received from BSE and NSE.
- 13.9. The Scheme shall be presented before the public shareholders for voting through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution.

- 13.10. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour are more than the number of votes cast by the public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.

PART IV – ACCOUNTING TREATMENT

14. ACCOUNTING TREATMENT

14.1. In the Books of the Demerged Company

Upon the Scheme becoming effective but from the Appointed Date:

- (i) The book value of all assets and liabilities pertaining to the Demerged Undertaking which cease to be the assets and liabilities of Demerged Company shall be reduced by Demerged Company at their book values. The difference that is the excess of the book values of assets pertaining to the Undertaking over the book value of the liabilities pertaining to the Undertaking shall be credited or debited to Demerger Adjustment Account in the books of Demerged Company.
- (ii) The credit balance in the Demerger Adjustment Account shall be credited to General Reserve. If the Demerger Adjustment Account results in a debit balance the same shall be written off against Profit & Loss account.

14.2. In the books of the Resulting Company

Upon the Scheme becoming effective but from the Appointed Date:

- (i) The Resulting Company shall record the assets and liabilities pertaining to the Undertaking, at the respective books values as appearing in the books of Demerged Company as on Appointed Date;
- (ii) The difference being excess of assets over liabilities recorded by the Resulting Company, over the amount credited as share capital will be deemed to be and shall be treated as General Reserve account in the books of Resulting Company. In case of there being shortfall, the same shall be debited to and carried forward as Goodwill;
- (iii) The reduction of issued, subscribed and paid up equity share capital of the Resulting Company as contemplated in this Scheme shall be carried out and effected as part of this Scheme without following the procedure laid down under section 100 of the Act. The Resulting Company shall obtain the necessary approvals from its shareholders and creditors as required under section 100 in terms of this scheme only and the Resulting Company shall not, nor shall be obliged to call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of the issued, subscribed and paid-up equity share capital as contemplated herein.
- (iv) Upon coming into effect the Scheme, the existing shareholding of the Resulting Company shall be cancelled and amount of such share capital, as stands cancelled, be credited to the General Reserve Account of the Resulting Company.

15. TAX TREATMENT

All taxes (including tax, sales tax, excise duty, custom duty, service tax, value added tax etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, value added tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

PART V – GENERAL TERMS AND CONDITIONS

16. APPLICATIONS

The Demerged Company and Resulting Company shall make necessary applications before the High Court of Judicature at Bombay for the sanction of this Scheme of Arrangement under Sections 391 to 394 of the Act. Any further approval under the Act arising from the Scheme shall be deemed to have been granted, without any application, for any transaction among the Demerged Company and the Resulting Company and/or its Directors.

17. CONDITIONALITY OF THE SCHEME

17.1. This Scheme is conditional upon and subject to:

- (i) the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors of the Demerged Company and the Resulting Company as required under the Act and the requisite orders of the High Court of Judicature at Bombay being obtained;
- (ii) approval of the Securities Exchange Board of India
- (iii) such other sanctions and approvals as may be required by law in respect of this Scheme being obtained, including approvals from BSE and NSE in respect of the transactions contemplated herein; and
- (iv) The certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Mumbai.

17.2 Effect of Non-Receipt of Approvals/Sanctions

In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, 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. In such event, each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

18. MODIFICATIONS TO SCHEME

- 18.1. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Demerged Company and Resulting Company may at any time after the coming into effect of the 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 this Scheme, including to ensure that such assets and properties which comprise a part of the Demerged Undertaking but which are not specifically enumerated in the Schedules hereto are transferred to and shall vest in the Resulting Company. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.
- 18.2. If any assets (or estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, arrangements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected.
- 18.3. The Demerged Company (by its Board of Directors or through any committee authorised in this behalf) and the Resulting Company (by its Board of Directors or through any committee authorised in this behalf) may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question of difficulty arising in connection with any deceased or insolvent shareholders of the respective companies), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law).
- 18.4. Any issue as to whether any asset, liability, employee or litigation pertains to the Demerged Undertaking or not shall be decided by the Boards of Directors of the Demerged Company and the Resulting Company on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Demerged Company).

19. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

20. COSTS

Upon the sanction of this Scheme by the High Court, all costs (including but not limited to bankers' fees, valuers' fees, legal counsel fees, merchant bankers' fees, stamp duty, registration charges, etc.) in relation to the Demerger shall be borne by the Demerged Company whether such costs are incurred prior to or after the Effective Date.



MANDHANA

a whirlpool of ideas!

CIN : L17120MH1984PLC033553

Registeres Offices : Plot No. C-3, M.I.D.C., Tarapur Industrial Area, Boisar, -401 506

COMPLAINTS REPORT IN PRESCRIBED FORMAT PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA CIRCULAR NO. CIR/CFD/DIL/5/2013 DATED FEBRUARY 4, 2013 READ WITH CIRCULAR NO. CIR/CFD/DIL/8/2013 DATED MAY 21, 2013, IN CONNECTION WITH APPLICATIONS MADE UNDER CLAUSE 24(F) OF THE LISTING AGREEMENTS FOR THE PROPOSED SCHEME OF ARRANGEMENT ("DEMERGER") BETWEEN MANDHANA INDUSTRIES LIMITED AND MANDHANA RETAIL VENTURES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

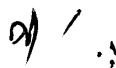
Part - A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part - B: NOT APPLICABLE

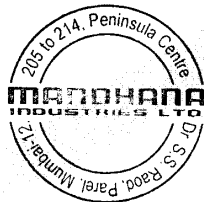
Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/Pending)
1.	--	--	--
2.	--	--	--
3.	--	--	--

For MANDHANA INDUSTRIES LIMITED



PURUSHOTTAM C. MANDHANA
(Chairman & Managing Director)

Date: 10TH June, 2015



MANDHANA INDUSTRIES LTD.

207-214, Peninsula Center, Dr. S.S. Rao Road, Off. Dr. Ambedkar Road, Parel, Mumbai - 400 012, India
Tel. : 91-22-43539191 • Fax : 91-22-43539216 / 17 / 18 • E-mail : info@mandhana.com • Website : www.mandhana.com

DCS/AMAL/CS/24(f)/148/2015-16

September 11, 2015

The Company Secretary
Mandhana Industries Limited
Plot Number C-3, MIDC,
Tarapur Industrial Area,
Boisar, Thane- 401 506,
Maharashtra.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Mandhana Industries Limited and Mandhana Retail Ventures Limited.

We refer to your draft Scheme of Arrangement between Mandhana Industries Limited and Mandhana Retail Ventures Limited as filed by the company.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated September 10, 2015 given the following comment(s) on the draft scheme of arrangement:

- *The company shall duly comply with various provisions of the Circulars.*

Accordingly, based on aforesaid comments offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

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

However, the listing of equity shares of Mandhana Retail Ventures Limited on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Further, Mandhana Retail Ventures Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

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

1. To submit the Information Memorandum containing all the information about Mandhana Retail Ventures Limited and its group companies in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information about Mandhana Retail Ventures Limited in line with the details required as per the aforesaid SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about Mandhana Retail Ventures Limited to BSE on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - ii. "There shall be no change in the shareholding pattern of Mandhana Retail Ventures Limited between the record date and the listing which may affect the status of this approval."

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

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

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

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

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

Yours faithfully,



Nitin Pujari
Manager



Lalit Phatak
Asst. Manager

Ref: NSE/LIST/42456

September 14, 2015

The Company Secretary
Mandhana Industries Limited
205/214, Peninsula Centre,
Dr. S.S.Rao Road,
Off. Dr. Ambedkar Road, Parel (East),
Mumbai - 400012

Kind Attn.: Mr. Vinay Sampat

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement for between Mandhana Industries Limited and Mandhana Retail Ventures Limited and their respective shareholders and creditors

This has reference to draft Composite Scheme of Arrangement for the demerger under sections 391 to 394 of the Companies Act, 1956 between Mandhana Industries Limited ("Demerged Company") and Mandhana Retail Ventures Limited ("Resulting Company") and their respective shareholders and creditors submitted to NSE vide your letter dated January 28, 2015.

Based on our letter reference no Ref: NSE/LIST/30663 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated September 10, 2015, has given following comments on the draft Scheme of Arrangement:

"The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the listing of equity shares of Mandhana Retail Ventures Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Mandhana Retail Ventures Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Mandhana Retail Ventures Limited is at the discretion of the Exchange.

The listing of Mandhana Retail Ventures Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Mandhana Retail Ventures Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.

1.



2. To publish an advertisement in the newspapers containing all the information about Mandhana Retail Ventures Limited in line with the details required as per SEBI circular no. SEBI/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Mandhana Retail Ventures Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - (b) "There shall be no change in the shareholding pattern or control in Mandhana Retail Ventures Limited between the record date and the listing which may affect the status of this approval."

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

The validity of this "Observation Letter" shall be six months from September 14, 2015, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm



MANDHANA INDUSTRIES LIMITED

CIN: L17120MH1984PLC033553

Registered Office: Plot No. C-3, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar - 401 506

Tel: +91 2525 605706/272426 • Fax: +91 22 43539358 • E-mail: cs@mandhana.com

Website: www.mandhana.com

BALLOT FORM

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement]

Serial No. _____

1. Name(s) of Member(s) including joint holders, if any (in block letters) :
2. Registered Address of the sole/first named Member :
3. Registered Folio No./DP ID No.* :
(*Applicable to shareholders holding shares in Dematerialized form)
4. No. of Shares held :

I / We hereby exercise my / our vote(s) in respect of the Resolution to be passed through Postal Ballot as specified in the Notice dated October 16, 2015 by conveying my / our assent / dissent to the said Resolution by placing tick (✓) mark in the appropriate box below:

Item No.	Description	No. of Shares held	I/ We assent to the Resolution (For)	I/ We dissent to the Resolution (Against)
1	For approving the Scheme of Arrangement between Mandhana Industries Limited and Mandhana Retail Ventures Limited and their respective shareholders and creditors under section 391 to 394 read with section 100 to 103 of the Companies Act, 1956.			

Place:
Date:

Signature of the Member

Notes:

- i. Please read the instructions printed below carefully before filling this Form and for e-voting, please refer to the instructions for voting through electronic means provided in the Postal Ballot Notice sent herewith.
- ii. The last date for the receipt of Postal Ballot Forms by the Scrutinizer is November 26, 2015 up to 5.00 p.m. IST.
- iii. If the voting rights are exercised electronically, there is no need to use this form.

INSTRUCTIONS

- 1) A member desiring to exercise vote by Postal Ballot may complete enclosed Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form, if deposited in person or sent by courier at the expenses of the member will also be accepted.
- 2) Alternatively, a Member may vote through electronic mode as per the instructions for voting through electronic means provided in the Postal Ballot Notice sent herewith.
- 3) There shall be one postal ballot for every Folio/Client ID irrespective of the number of joint holders. A proxy shall not exercise the postal ballot. Voting rights shall be reckoned on the paid up value of the shares registered in the name(s) of the member(s)/Beneficial Owner(s) on the date of dispatch of the notice.
- 4) The Postal Ballot Form should be completed and signed by the member. In case of joint holding, this form should be completed and signed (as per specimen signature registered with the company) by the first named member and failing him by the next named member and so on.
- 5) In case of shares held by companies, trusts, societies etc the duly completed Postal Ballot Form should be signed by the authorized signatory, whose signature is already registered with the Company. In such cases a certified true copy of the Board Resolution/Authority should also accompany the duly completed Postal Ballot Form.
- 6) A member may sign the form through an Attorney appointed specifically for the purpose, in which case an attested true copy of Power of Attorney should be attached to the postal ballot form.
- 7) The votes should be cast either in favour or against by putting the tick (✓) mark in the column provided for assent or dissent. Postal Ballot Form bearing tick marks in both the columns will render the Form invalid.
- 8) Duly completed Postal Ballot Form should be received by the Scrutinizer at : Mr. Nitin R. Joshi, Scrutinizer, C/o Link Intime India Pvt. Ltd., Unit- Mandhana Industries Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, not later than Thursday, November 26, 2015 (5.00 p.m IST). Postal Ballot Form received after this date will be treated as if no reply from the member has been received.
- 9) Incomplete, unsigned or incorrect Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.



MANDHANA INDUSTRIES LIMITED

CIN: L17120MH1984PLC033553

Registered Office: Plot No. C-3, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar - 401 506

Tel: +91 2525 605706/272426 • Fax: +91 22 43539358 • E-mail: cs@mandhana.com

Website: www.mandhana.com

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 814 OF 2015**

In the matter of Companies Act, 1956 and Companies Act, 2013

And

In the matter of sections 391 to 394 read with sections 100 to 103
of the Companies Act, 1956

And

In the matter of Mandhana Industries Limited

And

In the matter of Scheme of Arrangement between Mandhana
Industries Limited (Demerged Company)

And

Mandhana Retail Ventures Limited (Resulting Company)

And

Their respective shareholders and creditors

Mandhana Industries Limited, company)
incorporated under the provisions of the)
Companies Act, 1956, having its registered)
office situated at Plot No. C-3, M.I.D.C.)
Tarapur Industrial Area, Boisar, District)
Palghar - 401506, Maharashtra)
)

.....Applicant Company

**Form No. MGT-11
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :

Registered Address :

E-mail Id :

Folio/ DP ID & Client ID No. :

I/We being the member(s) of _____ shares of Mandhana Industries Limited hereby appoint:

- (1) Name: _____
Address: _____
E-mail ID: _____
Signature: _____ or failing him;
- (2) Name: _____
Address: _____
E-mail ID: _____
Signature: _____ or failing him;
- (3) Name: _____
Address: _____
E-mail ID: _____
Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Court Convened Meeting of the Equity Shareholders of the Company, to be held on Friday, November 27, 2015 at 12.00 noon at Plot No. C-2, M.I.D.C Tarapur Industrial Area, Boisar, District Palghar- 401506, Maharashtra, for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Mandhana Industries Limited and Mandhana Retail Ventures Limited and their respective shareholders and creditors under section 391 to 394 read with section 100 to 103 of the Companies Act, 1956 at such meeting and any adjournment or adjournments thereof, to vote for me/us and in my/our name(s) _____ (here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said arrangement embodied in the Scheme and the resolution, either with or without modification(s)*, as my/our proxy may approve.

*strike out whatever is not applicable

Signed this day of 2015

Signature of Shareholder(s):

Signature of Proxy holder:

Affix
Re.1/-
revenue
stamp

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company at Plot No. C-3, M.I.D.C Tarapur Industrial Area, Boisar, District Palghar - 401506, Maharashtra, not less than 48 hours before the time for holding the meeting.
- (2) A proxy need not be a member of the company.
- (3) All alterations made in the form of proxy should be initialed.
- (4) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of Court Convened Meeting of Equity Shareholders.
- (5) A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.



MANDHANA INDUSTRIES LIMITED

CIN: L17120MH1984PLC033553

Registered Office: Plot No. C-3, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar - 401 506

Tel: +91 2525 605706/272426 • Fax: +91 22 43539358 • E-mail: cs@mandhana.com

Website: www.mandhana.com

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)

Sr. No. _____

Regd. Folio No./ DPID & Client ID No. _____ :

SHAREHOLDER'S NAME AND REGISTERED ADDRESS : Mr./Ms./Mrs./Messers	:	
In case of Proxy or Authorised Representative NAME OF PROXY OR AUTHORISED REPRESENTATIVE: Mr./Ms./Mrs.	:	
No. of Shares held	:	

I hereby record my presence at the Court Convened Meeting of the Equity Shareholders of Mandhana Industries Limited, the Applicant Company, convened pursuant to the Order dated October 16, 2015 of the Hon'ble High Court of Judicature of Bombay, at Plot No. C-2, M.I.D.C Tarapur Industrial Area, Boisar, District Palghar- 401506, Maharashtra on Friday, November 27, 2015 at 12.00 noon.

Signature of Shareholder/ Proxy/
Authorised Representative

- Notes:**
1. Please bring this Attendance Slip when coming to the Meeting.
 2. Please do not bring with you any person who is not a member of the Company at the Meeting.

EVS (Electronic Voting Sequence Number)	*Default PAN
151021002	

**Only Members who have not updated their PAN with the Company / Depository Participant shall use the default PAN in the PAN field.*

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 814 OF 2015**

In the matter of Companies Act, 1956 and Companies Act, 2013

And

In the matter of sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956

And

In the matter of Mandhana Industries Limited

And

In the matter of Scheme of Arrangement

between

Mandhana Industries Limited (Demerged Company)
and

Mandhana Retail Ventures Limited (Resulting Company)
and

Their respective shareholders and creditors

Mandhana Industries Limited, company incorporated under)
the provisions of the Companies Act, 1956, having its registered)
office situated at Plot No. C-3, M.I.D.C. Tarapur Industrial Area,)
Boisar, District Palghar – 401506, Maharashtra.) ... Applicant Company

**NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF
MANDHANA INDUSTRIES LIMITED, THE APPLICANT COMPANY**

NOTICE IS HEREBY GIVEN THAT by order made on the 16th day of October, 2015, in the above Company Summons for Direction, ("Order"), the Hon'ble High Court of Judicature at Bombay, has directed that the meeting of the Equity Shareholders of Mandhana Industries Limited, the Applicant Company, be convened and held at Plot No. C-2, M.I.D.C. Tarapur Industrial Area, Boisar, District Palghar – 401506 on Friday, November 27, 2015 at 12.00 noon for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Mandhana Industries Limited and Mandhana Retail Ventures Limited and their respective shareholders and creditors ("the Scheme").

In pursuance of the said Order and as directed therein, further Notice is hereby given that the meeting of the Equity Shareholders of the Applicant Company will be convened and held at Plot No. C-2, M.I.D.C. Tarapur Industrial Area, Boisar, District Palghar – 401506 on Friday, November 27, 2015 at 12.00 noon at which place, day, date and time the said Equity Shareholders are requested to attend ("Meeting"). Notice of the said meeting has been posted to the Shareholders and also posted on the website of the Company, www.mandhana.com and website of the Central Depository Services (India) Limited ("CDSL"), www.evotingindia.com.

Copies of the Scheme, explanatory statement under Section 393 of the Companies Act, 1956, Ballot Form, Attendance Slip & Proxy Form along with the notice convening the meeting has already been sent to the Equity Shareholders of the Applicant Company on October 26, 2015 by Registered Post AD/speed post at their respective registered address as per the records of the Applicant Company and the aforesaid documents have also been sent electronically to those Shareholders who have registered their e-mail addresses with the depositories or with the Applicant Company.

Copies of the Scheme, explanatory statement under Section 393 of the Companies Act, 1956, can also be obtained free of charge at the registered office of the Applicant Company at Plot No. C-3, M.I.D.C. Tarapur Industrial Area, Boisar, District Palghar- 401506, Maharashtra and/ or at the office of its advocates Chitnis & Co., Unit No. 09, 2nd Floor, Jeevan Vihar Building, 75, Alkesh Dinesh Modi Marg (Mumbai Samachar Marg), near Bombay Stock Exchange, opposite Union Bank of India, Fort, Mumbai- 400001.

Form of proxy can be obtained free of charge at the registered office of the Applicant Company.

Persons entitled to attend and vote at the meeting may vote in person or by proxy provided that a proxy in the prescribed form duly signed by the persons entitled to attend and vote at the meeting are deposited at the registered office of the Applicant Company at Plot No. C-3, M.I.D.C. Tarapur Industrial Area, Boisar, District Palghar- 401506, Maharashtra not later than 48 hours before the commencement of the meeting.

In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Clause 35B of the Listing Agreement, the Applicant Company has provided the facility to the Shareholders to exercise their votes on resolution through e-voting facility arranged by Central Depository Services (India) Limited and the business contained in the notice may be transacted through such voting. In order to enable its Shareholders, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolution as set out in the Notice, the Company has enclosed a Ballot Form along with the Notice which can be submitted by the Equity Shareholders in the Business Reply Envelope (annexed with the Notice). Resolution passed by Shareholders through Ballot Form or e-voting is deemed to have been passed as if they have been passed at a General Meeting of the Members.

Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case the members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid. The duly completed Ballot Form should reach the Scrutinizer at : Mr. Nitin R. Joshi, Scrutinizer, C/o Link Intime India Pvt. Ltd., Unit- Mandhana Industries Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, not later than November 26, 2015, (5.00 p.m. IST). Ballot Form received after this date and time will be treated as invalid.

The e-voting period commences on November 24, 2015 at 10.00 a.m. IST and ends on November 26, 2015 at 5.00 p.m. IST. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on November 20, 2015 ("the cut-off date"), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently or cast vote again.

The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as at the closure of the business hours on November 20, 2015 (the cut-off date). A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to cast the vote in the entire voting process.

The facility for voting either through ballot or polling paper shall also be made available at the Meeting and Members attending the Meeting who have not already cast their vote by remote e-voting or by sending the ballot form to the Scrutinizer, shall be able to exercise their right at the Meeting. The Members who have cast their vote by remote e-voting or by ballot paper prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e, November 20, 2015 and is already registered with CDSL for remote e-voting then such person can use his existing user ID and password for casting vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com.

In case of any queries relating to voting by electronic means, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at <https://www.evotingindia.com> under help section or write an email to helpdesk.evoting@cdslindia.com. or contact CDSL at its toll free no.: 18002005533. You may also write to the Registrar and Share Transfer Agent, Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in or to the Applicant Company at cs@mandhana.com, for any concern in this regard.

You may also contact Mr. Wenceslaus Furtado (Wency), Deputy Manager, Central Depository Services (India) Limited (CDSL), 17th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001, Tel: 1800-200-5533, Email: helpdesk.evoting@cdslindia.com for any queries on remote e-voting.

The Hon'ble Court has appointed Mr. Purushottam C. Mandhana, Chairman and Managing Director, failing him Mr. Manish B. Mandhana, Joint Managing Director and failing him Mr. Biharlal C. Mandhana, Executive Director of the Applicant Company to be the Chairman of the said meeting.

The Scheme, if approved by the Equity Shareholders in the meeting will be subject to subsequent approval of the Hon'ble Court.

Sd/-

Dated this 27th day of October, 2015

Place: Mumbai

Purushottam C. Mandhana,
Chairman appointed for the Meeting