



**MANDHANA**

*a whirlpool of ideas!*

CIN : L17120MH1984PLC33553

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

7<sup>th</sup> September, 2016

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C-1,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai 400051  
**NSE Symbol: MANDHANA**

Dear Sir / Madam,

**Re:** Record Date for determining the Members of the Mandhana Industries Limited (the "Demerged Company" / the "Company") to whom the equity shares of Mandhana Retail Ventures Limited (the "Resulting Company") to be allotted pursuant to the Scheme of Demerger ("Scheme")

**Ref:** Our letter dated 6<sup>th</sup> September, 2016 and your email dated 7<sup>th</sup> September, 2016

Further to our letter dated 6<sup>th</sup> September, 2016 and your email dated 7<sup>th</sup> September, 2016, please find herein below the detailed note on the Scheme of the Demerger:

The Scheme of Demerger of the retail division of Mandhana Industries Limited was approved by Hon'ble High Court of Judicature at Bombay vide its order dated 29<sup>th</sup> March, 2016. The Certified copy of the Court Order was filed by the Company with the Ministry of Corporate Affairs in prescribed Form No. INC-28 on 31<sup>st</sup> March, 2016. Subsequent to the filing of the said form, the retail division of the Demerged Company was transferred and vested into Resulting Company with effect from the appointed date i.e. w.e.f 1<sup>st</sup> April, 2014. The Scheme, *inter alia*, provides for transfer by way of demerger of retail division of the Company and vesting of the same into Mandhana Retail Ventures Limited and consequently issue of equity shares by the Resulting Company to the equity shareholders of Demerged Company, under section 391-394 of the Companies Act, 1956.

The Managing Committee of the Board of Directors of the Demerged Company at its meeting held on 6<sup>th</sup> September, 2016 has fixed the record date as 23<sup>rd</sup> September, 2016 for determining the eligibility of the equity shareholders of the Demerged Company to whom



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**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

The equity shares of Resulting Company will be issued to those eligible shareholders of the Demerged Company, whose names appear:

- (a) as beneficial owners at the close of working hours on 23<sup>rd</sup> September, 2016 as per the list to be furnished by the Depositories (NSDL and CDSL) in respect of the equity shares of the Demerged Company held in electronic form; and
- (b) as shareholders in the Register of Members of Demerged Company as on 23<sup>rd</sup> September, 2016, after giving effect to all valid share transfers in physical form which are received on or before the close of working hours on 23<sup>rd</sup> September, 2016 by the Registrar and Share Transfer Agent of the Company.

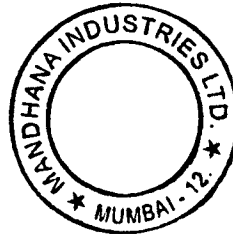
We are also enclosing herewith a brief note on the Scheme along with the synopsis providing details pertaining to share entitlement ratios as provided in the Scheme.

You are requested to take the above on record.

Thanking you,

Yours faithfully,  
for **MANDHANA INDUSTRIES LIMITED.**

  
**PURUSHOTTAM C. MANDHANA**  
**(Chairman and Managing Director)**



Encl. As above

C.C. to:

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400023

**Scrip Code: 533204**

**Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound,  
L.B.S.Marg, Bhandup (W),  
Mumbai - 400 078

**Central Depository Services (India) Limited**

17<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai - 400 001

**National Securities Depository Limited**

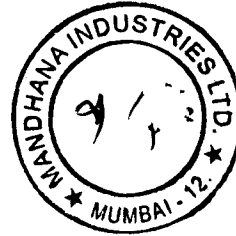
Trade World "A" Wing, Kamala Mills Compound,  
4<sup>th</sup> Floor, Senapati Bapat Marg, Lower Parel,  
Mumbai - 400 033

**Note on the Scheme**

- 1) The 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.
- 2) 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.
- 3) 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.
- 4) The Scheme does not have any adverse effect on either the shareholders or the employees or the creditors of the Demerged Company.
- 5) 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 relating 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;
- (f) The transfer of the Demerged Undertaking shall be on a going concern basis.



**SYNOPSIS PROVIDING DETAILS OF THE SCHEME PERTAINING TO SHARE  
ENTITLEMENT RATIOS**

**Clause no. 13 of the Scheme: Issuance and Allotment of Securities:**

- 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.
- 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.
- 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.

