

To,
The Board of Directors
Mangal Industries Limited

Revised Independent Auditor’s Certificate certifying the accounting treatment contained in the proposed scheme of arrangement (Demerger) amongst Mangal Industries Limited (“MIL” or the “Company” or the “Demerged Company”) and Amara Raja Batteries Limited (“ARBL” or the “Resulting Company”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the “Act”) (the “Scheme”).

1. This revised Certificate is issued in accordance with the terms of our engagement letter. This revised certificate is issued only to address the observations received from BSE Limited (‘BSE’) by the Company. Accordingly, this revised Certificate is being issued and supersedes our earlier certificate issued dated September 26, 2022 bearing UDIN no. 22202309AVICDP6852.
2. We, Brahmayya & Co., Chartered Accountants, the statutory auditors of Mangal Industries Limited (hereinafter referred to as the “Company”), have examined the proposed accounting treatment specified in Clause 11 of the Scheme amongst MIL and ARBL (*as defined above*), with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other Generally Accepted Accounting Principles, to ensure compliance with the Securities Exchange Board of India (SEBI) Circular SEBI/HO/CFD/DIL3/CIR/P/2021/0000000665 dated November 23, 2021 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder (hereinafter referred to as “SEBI Guidelines”).

Management’s responsibility

3. The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Auditor’s responsibility

4. Our responsibility is only to examine and report whether the accounting treatment referred to in Clause 11 of the Scheme referred to above comply with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other generally accepted accounting principles so as to be in compliance with the accounting treatment referred to in the SEBI Guidelines. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

7. The draft Scheme has been approved by the Board of Directors of the Company in its meeting held on September 26, 2022. The appointed date for the purpose of this draft scheme is April 1, 2022 or such other date as may be mutually agreed by the Board of Directors of the Companies and conveyed in writing to the National Company Law Tribunal. The said appointed date of April 1, 2022, mentioned in the draft scheme precedes the acquisition date as per Ind As 103.
8. Based on our examination and according to the information and explanations given to us and considering the appointed date as referred to in paragraph 7 above, we confirm that the proposed accounting treatment contained in clause 11 of the draft scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circulars issued thereunder and the Companies (Indian Accounting Standards) Rules, 2015, notified under section 133 of the Companies Act, 2013, read with the rules made there under and other Generally Accepted Accounting Principles in India, as applicable.

Restriction on use

9. This revised Certificate is issued at the request of the Company pursuant to the requirements of applicable circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, proviso to sub section 7 of Section 230 of the Companies Act, 2013 and to address the observations received by the Company from BSE Limited with respect to the Opinion not being in accordance with the checklist format which requires the statutory auditors to also confirm the compliance of the Draft Scheme with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission to the National Company Law Tribunal, BSE Limited and National Stock Exchange of India Limited with respect to the Draft Scheme. This revised Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this revised Certificate is shown or into whose hands it may come without our prior consent in writing.

For Brahmayya & Co,
Chartered Accountants,
Firm Regn. No. 000513S.

(Karumanchi Rajaj)
Partner
UDIN:22202309AZMJBR7901
For Brahmayya & Co,
Chartered Accountants,

Place: Vijayawada
Date: 12th October, 2022

Annexure I

Upon the effectiveness of this Scheme, in accordance with the applicable Indian Accounting Standards, Act and generally accepted accounting principles in India, the Demerged Company shall provide the following accounting treatment in its books of accounts:

- 11.1 Upon the Scheme coming into effect, with effect from the Appointed Date, the Demerged Company shall transfer the assets and liabilities forming part of the Demerged Undertaking to the Resulting Company at their respective carrying amounts (i.e., book value) at the Appointed Date.
- 11.2 Upon the Scheme coming into effect, solely to meet the requirements prescribed in Appendix A to Ind AS 10 notified under section 133 of the Act, the Demerged Company shall debit the fair value of the Demerged Undertaking to the Other equity and recognise a corresponding liability towards dividend payable (to the extent of distributable profits).
- 11.3 Upon the Scheme coming into effect, with effect from the Appointed Date, solely to meet the requirements prescribed in Appendix A to Ind AS 10 notified under section 133 of the Act the difference between (a) the liability recognised at 11.2 above and (b) the excess of the book value of the assets over the book value of liabilities transferred as per 11.1 above as at the Appointed Date, shall be credited / debited to the statement of Profit & Loss.
- 11.4 It is reiterated that the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.

For Mangal Industries Limited



G. Satish Kumar
Chief Financial Officer

To,
The Board of Directors
Mangal Industries Limited

Independent Auditor's Certificate certifying the accounting treatment contained in the proposed scheme of arrangement (Demerger) amongst Mangal Industries Limited ("MIL" or the "Company" or the "Demerged Company") and Amara Raja Batteries Limited ("ARBL" or the "Resulting Company") and their respective shareholders and creditors under Sections 230 to and other applicable provisions of the Companies Act, 2013 (the "Act") (the "Scheme").

1. This certificate is issued in accordance with the terms of our engagement letter.
2. We, Brahmayya & Co., Chartered Accountants, the statutory auditors of Mangal Industries Limited (hereinafter referred to as the "Company"), have examined the proposed accounting treatment specified in Clause 11 of the Scheme amongst MIL and ARBL (*as defined above*), with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other Generally Accepted Accounting Principles, to ensure compliance with the Securities Exchange Board of India (SEBI) Circular SEBI/HO/CFD/DIL3/CIR/P/2021/0000000665 dated November 23, 2021 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder (hereinafter referred to as "**SEBI Guidelines**").

Management's responsibility

3. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Auditor's responsibility

4. Our responsibility is only to examine and report whether the accounting treatment referred to in Clause 11 of the Scheme referred to above comply with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other generally accepted accounting principles so as to be in compliance with the accounting treatment referred to in the SEBI Guidelines. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.



Opinion

7. The draft Scheme has been approved by the Board of Directors of the Company in its meeting held on September 26, 2022. The appointed date for the purpose of this draft scheme in April 1, 2022 or such other date as may be mutually agreed by the Board of Directors of the Companies and conveyed in writing to the National Company Law Tribunal. The said appointed date of April 1, 2022, mentioned in the draft scheme precedes the acquisition date as per Ind As 103
8. Based on our examination and according to the information and explanations given to us and considering the appointed date as April 1, 2022, we are of the opinion that the proposed accounting treatment contained in clause 11 of the draft scheme is in compliance with the companies (Indian Accounting Standards) Rules, 2015, notified under section 133 of the Companies Act, 2013, read with the rules made there under and other Generally Accepted Accounting Principles in India, as applicable.

Restriction on use

9. This certificate is issued at the request of the Company pursuant to the requirements circulars issued under Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and proviso to sub section 7 of Section 230 of the Companies Act, 2013 for onward submission to the National Company Law Tribunal, BSE Limited and National Stock Exchange of India Limited and other regulatory authorities, as applicable, with respect to the Draft Scheme. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Brahmayya & Co,
Chartered Accountants,
Firm Regn. No. 000513S.



(Karumanchi Rajaj)
Partner

UDIN: 22202309AVICDP0002

For Brahmayya & Co,
Chartered Accountants,



Place: Vijayawada
Date: 26th September, 2022

Annexure I

Upon the effectiveness of this Scheme, in accordance with the applicable Indian Accounting Standards, Act and generally accepted accounting principles in India, the Demerged Company shall provide the following accounting treatment in its books of accounts:

- 11.1 Upon the Scheme coming into effect, with effect from the Appointed Date, the Demerged Company shall transfer the assets and liabilities forming part of the Demerged Undertaking to the Resulting Company at their respective carrying amounts (i.e., book value) at the Appointed Date.
- 11.2 Upon the Scheme coming into effect, solely to meet the requirements prescribed in Appendix A to Ind AS 10 notified under section 133 of the Act, the Demerged Company shall debit the fair value of the Demerged Undertaking to the Other equity and recognise a corresponding liability towards dividend payable (to the extent of distributable profits).
- 11.3 Upon the Scheme coming into effect, with effect from the Appointed Date, solely to meet the requirements prescribed in Appendix A to Ind AS 10 notified under section 133 of the Act the difference between (a) the liability recognised at 11.2 above and (b) the excess of the book value of the assets over the book value of liabilities transferred as per 11.1 above as at the Appointed Date, shall be credited / debited to the statement of Profit & Loss.
- 11.4 It is reiterated that the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.



For Mangal Industries Limited

G. Satish Kumar

G. Satish Kumar
Chief Financial Officer