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24th September 2024

To
The Chief General Manager
Listing Operation,
BSE Limited, 20th Floor, P.J.Towers,
Dalal Street, Mumbai – 400 001.

Scrip Code: **517286**

Sub: 1. Update on Approval of Scheme of Arrangement, forming part of the Approved Resolution Plan.
Ref: Disclosures pursuant to Regulation 30(2) (Schedule III Part A) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Respected Sir,

This is with reference to our earlier communication informing that, the Hon'ble NCLT-Jaipur Bench, at the hearing held on 23rd September 2024, Pronounced Orders in CP No. (IB)- 47/9/JPR/2018 in the matter of M/s. Track Innovations V/s. Autopal Industries Limited, approving the resolution plan submitted jointly by Mr. Vivek Kumar Ratakonda & Mr. Raja Srinivas Nandigam (Resolution Applicant's), along with the addendum, annexure, schedules and Scheme of Arrangement forming part of the Resolution Plan.

The Hon'ble Tribunal, while approving the Resolution Plan, also approved the Scheme of Arrangement for the merger of M/s. RNIT Solutions & Services Limited into Autopal Industries Limited, forming part of the Resolution Plan. The silent features of merger are enclosed herewith.

GIST OF CHANGE IN CAPITAL STRUCTURE OF THE COMPANY; Pursuant to the Regulation 37 of the of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 as envisaged in the Chapter VI of the Approved Resolution Plan is as under:

STEP WISE CHANGES:

i. **Cancellation and extinguishment of 9% redeemable non-cumulative preference shares**

Cancellation and extinguishment of the entire 9% redeemable non-cumulative preference shares without payout

ii. **Extinguishment of Promoter Shareholding**

Cancellation and extinguishment of entire shareholding of the erstwhile promoters and promoter group of Corporate Debtor without any pay out. The cancellation shall not require any payment by the Corporate Debtor.

iii. **Cancellation and capital reduction of the existing equity shares of public shareholders**

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Cancellation of the Public Shareholders' shares, to the extent of 75% of their shareholding as of Record date. In other words, the Corporate Debtor shall issue and allot One Equity Share of Rs.10/- each for every 4 Equity Shares of Rs. 10/- each held by the public shareholders other than existing promoters.

1. The cancellation shall not require the Corporate Debtor to pay any of the shareholders except by issuing Equity Shares of Rs.10/- each to the public Shareholders other than existing promoters as per the ratio mentioned above as on the Record Date.

2. The fractional entitlements if any, shall be aggregated and held by the trust, nominated by the Board on that behalf, who shall sell such shares in the market at such price and distribute the net sale proceeds to the said shareholders in proportion to their holding.

3. The equity shares issued as aforesaid to the public shareholders shall be listed forthwith on the stock exchange where it is presently listed.

iv. Allotment of shares against the funds infused by the RA for payment of consideration as per this Resolution Plan.

The Resolution Applicant(s) either himself or through their associates, infuse an amount of Rs 3,00,00,000/-(Rupees Three Crore only) to implement the Resolution Plan as envisaged, and in consideration of which, the Corporate Debtor shall issue 30,00,000 (Thirty Lakh) equity shares of Rs. 10/- (Ten) each to the Resolution Applicant(s) and to their associates if any, in proportion to their respective contribution/infusion of money.

v. Allotment of Shares to the Shareholders of RNIT Solutions & Services Limited (Transferor Company) as a part of merger of RNIT Solutions & Services Limited into the Corporate Debtor

The Shareholders of Transferor Company shall be allotted equity shares of the Corporate Debtor upon merger of Transferor Company into Corporate Debtor in the ratio of 1:5 such that:

a. ***"5 (Five) Equity shares of Rs. 10/- each of M/s. Autopal Industries Ltd shall be issued for every 1 (One) Equity shares Rs. 10/- each to every shareholder of the M/s. RNIT Solutions & Services Limited held on Record Date".***

b. *Pursuant to the approval of the resolution by the Hon'ble NCLT, an allotment of 7,13,74,990 Equity shares of Rs. 10/- each fully paid up to the Shareholders of M/s. RNIT Solutions & Services Limited shall be considered proportionately for the merger of the Transferor Company into the Corporate Debtor.*

c. *Out of the total Shares being allotted to Shareholders of the Transferor Company, some portion of the Promoter shares (of Transferor Company) consist of 17,00,000 shares of Rs. 10/- each given as Sweat Equity shares to Mr. Raja Srinivas Nandigam. These Shares were allotted on 26/02/2024 and locked in for three years i.e. till 25/02/2027. The lock in shall continue on the allotted shares as per the Share Swap Ratio*

vi. Preferential allotment of shares to strategic investors:

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The Resolution Applicant(s) proposes, as part of the Resolution Plan, to allot 1,00,00,000 equity shares of Rs. 10/- each of the corporate debtor on a preferential allotment basis to identified strategic investors within one year from the date of the trading approval.

"The issuance of the above equity shares shall be executed either at par or at a premium and may be conducted in one tranche or multiple tranches, contingent upon prevailing market conditions. This strategy aims to optimize the company's capital structure, raise funds efficiently, and enhance shareholder value while carefully balancing the interests of all stakeholders involved." The money raised shall be utilised for business expansion and the Company's revival.

These shares rank pari passu with the Company's existing share capital and shall be treated as public shareholders to maintain a minimum public shareholding as per Rule 19A (5) Securities Contracts (Regulation) Rules, 1957

GIST OF CHANGE IN THE CONSTITUTION DOCUMENTS as envisaged in the Approved Resolution Plan is as under:

1. Change in name of the Company and Alteration of Name Clause in the Memorandum of Association and Articles of Association of the Company.
2. Change in the Object Clause of the Memorandum of Association of the Company
3. Change in the Situation Clause of the MOA of the Company, pursuant to Shifting of the Registered office of the corporate debtor from the State of Rajasthan to the State of Telangana.
4. Change in the Authorised Share Capital Clause of the MOA.

As per the Resolution Plan, it is clarified that the approval under the NCLT order shall constitute adequate approval for the adoption of the New Constitutional Documents in accordance with all provisions of Applicable Law. Accordingly, no further approval or consent shall be necessary from any other person/governmental authority, and no shareholders' resolution shall be required in relation to either of these actions under any agreement, the existing Constitutional Documents of the Company, or under any Applicable Law.

Further the Silent Features of the Approved Resolution Plan, in compliance with Regulation 30 read with Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2018, forms part as **Annexure I**

Further the Silent Features of the Scheme of Arrangement for the Merger of RNIT Solutions & Services Limited into Autopal Industries Limited as approved along with the resolution Plan, in compliance with Regulation 30 read with Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2018, are envisaged in **Annexure II**

You are requested to open a demat account in the name of the Company.

Thanking you
For AUTOPAL INDUSTRIES LIMITED

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Mr. Ajay Gupta
Resolution Professional
Reg. No: IBBI/IPA-001/IP-P00140/2017-18/10304

ANNEXURE-I

SILENT FEATURES OF THE APPROVED RESOLUTION PLAN, IN COMPLIANCE WITH REGULATION 30 READ WITH SCHEDULE III OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018

1. **Details of securities continued to be imposed on the companies' assets.**

   Post the implementation of the resolution Plan, and upon payment of entire consideration as per the approved resolution plan Any and all security interests in the assets of the Company, will be written off in full and shall be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

2. **Other material liabilities imposed on the company**

   All the Claims or demands made by, or liabilities or obligations owed or payable to (including but not limited to any Operational Debt, any demand for any losses or damages, indemnification, principal, interest, compound interest, penal interest, liquidated damages, and other charges already accrued/ accruing or in connection with any third party Claims) any actual or potential Creditor, vendor, contracting counterparty, Governmental Authority, claimant or any other person whatsoever (including but not limited to the Operational Creditors and its promoters, directors and other related parties of the Company and/ or the Existing Promoters), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the Provisional Balance Sheet, the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, in relation to any period prior to the effective date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan, will be written off in full and shall be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

3. **Details pre and post shareholding pattern assuming 100% conversion of convertible securities**

S. No	Category	No of shares held before CIRP (Rs.10/- each)	Voting Shares (%) before CIRP	No of Shares held after CIRP (Rs.10/- each)	Voting Shares (%) held after CIRP
1	Promotor #	18,28,396	52.29%	0	0
2	Public Shareholders #	16,67,972	47.71%	4,16,993	0.49%
3	Resolution Applicant(s)	0	0	30,00,000	**3.54%**
4	Shares allotted to the Shareholders of RNIT Solutions & Services Ltd Consequent to the merger under this Plan i. Promoters holding(74.64%) ii. Public holding (25.36%)	 0 0	 0 0	5,21,54,340 1,92,20,650	61.51% 22.67%

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5	Preferential Allotment to the Strategic Investors (Public Shareholders)	0	0	1,00,00,000	11.79%
TOTAL		34,96,368	100%	8,47,91,983	100%

The shareholding provided in the above table is only indicative of the shareholding structure. The actual extinguishment and capital reduction will be based on the shares held by promoters and the public shareholders as of the record date. This ensures that, the extinguishment and capital reduction accurately reflect the shareholding as of the specified record date.

Minimum Public Shareholding (MPS)

The revised Shareholding pattern post the allotments/Corporate Actions pursuant to the Resolution Plan clearly depicts that, the MPS Provisions as mentioned in *Proviso in Rule 19A (5) of the Securities Contracts (Regulation) Rules, 1957 'Every listed company shall maintain public shareholding of at least five percent, as a result of the implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016' are fulfilled.*

Further, it is informed that, as per the Approved Resolution Plan, the Company shall continue to be listed on the Exchange.

4. Details of funds infused in the Company, creditors paid off

FINANCIAL PROPOSAL

An outlay of Rs. 3,00,00,000/- (Rupees Three Crore) is proposed under this plan ("Total Financial Outlay") in respect of the insolvency resolution of the Company, which will comprise of:

Funds infusion by the Resolution Applicant for the revival of the Company

S No	Description	Amount (Rs.)
i	Total funds infusion to meet the stakeholder's claims and Contingencies	1,27,00,000
ii	Funds infusion towards the working capital needs	1,73,00,000
iii	Total funds infusion under the Plan	3,00,00,000

TREATMENT OF STAKEHOLDERS

The Successful Resolution Applicant proposes to pay stakeholders, in the following manner:

Category of the Creditor	Claims Admitted (Rs.)	Resolution amount Rs. (Upfront)	Percentage
CRIP Cost	52,00,000	52,00,000	100%
EPFO	23,28,239	23,28,239	100%
Secured Financial Creditors	1,28,99,728	27,08,943	21%
Unsecured Financial Creditors	71,93,138	9,35,108	13%
Operational Creditors (Government dues)	6,41,04,896	12,82,098	2%
Operational Creditors- Others	83,13,809	1,66,276	2%

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Total Liabilities	10,00,39,810	1,26,20,664	-

5. **Additional liability on incoming investors due to the transaction, source of such funding etc**

None, except for continuing liabilities on the general course of business.

6. **Impact on the investor- revised P/E, RONW ratios etc**

The revised projected financials and P/E, RONW ratios etc. are not known at present. However, the same shall definitely impact positively as a result of the merger of the Transferor Company into the Company post the Completion of the Resolution Plan.

7. **Details of the new promoter, key managerial personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such companies and names of natural persons in control.**

The Details of the Resolution Applicants is mentioned hereunder for your reference:

a. Mr. Vivek Kumar Ratakonda

Mr. Vivek Kumar Ratakonda has expertise in acquiring distressed companies and implementing turnaround strategies to improve their performance. Turnaround strategies include restructuring debt, streamlining operations, improving management practices, or implementing new marketing strategies.
Turning around a company often involves identifying areas of inefficiency or weakness, implementing changes to improve operations, and developing strategies to drive growth and profitability.

Insolvency resolution is a time-bound process for revitalizing distressed companies. He has a deep understanding of this complex process, which includes business operations, finance, strategic planning, etc.

Given the time-sensitive nature of the CIRP process, Mr. Vivek's expertise helps the corporate debtor execute turnaround plans efficiently within the stipulated timelines to achieve the desired result.

Mr. Vivek Kumar Ratakonda made similar acquisitions under the aegis of IBC and successfully implemented the respective resolution plans. The names of the Companies are as follows:

1. M/s. Equippp Social Impact Technologies Ltd (Formerly M/s. Proseed India Ltd) in the year 2021
2. ACS Technologies Ltd (Formerly LN Industries Ltd) in the year 2023
3. GR Cables Ltd in the year 2023

Once acquired, the Resolution Applicant(s) leverages their expertise and resources to implement strategic initiatives, such as improving the corporate debtor's financial health and operational efficiency, to turnaround and add substantial value to all stakeholders.

b. Mr. Raja Srinivas Nandigam

Mr. Raja Nandigam is a business visionary and a social leader with a passion for excellence. Raja has a proven executive management track record and over 18 + years of experience driving technology-compelled growth strategies.

He is the Managing Director and CEO of RNIT Solutions & Services Limited and is responsible for running all facets of the IT Business. Under his leadership, RNIT expanded into new market segments and diversified

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its revenue across IT Services. The Company has also made significant progress on key strategic initiatives, including rebranding and global standardization of core systems and processes, and oversaw significant revenue growth and geographic expansion.

Before joining RNIT, Raja held senior leadership roles in ICONMA, HCL, Accenture, Wipro, and Satyam Computers across various domains and geographies (viz., ASEAN, EMEA, and Americas) and was responsible for executing large digital transformation programs.

Leadership & Business Excellence
He has built many Innovative IT products and solutions that has been accepted and adopted by Government Departments in India, both at the State and Centre levels. He has also delivered large greenfield implementations for Fortune 50 clients across the Globe.
Few Innovative Projects & Solutions delivered for Indian Community:
1. RIMS – Realtime Identification Management System
2. RLMS- Integrated Learning Management System
3. RBIS – Realtime Beneficiary Identification & Management System
4. Cop Connect – Community Policing solution for TG Police Dept
5. rCampus – Innovative education platform for end-end digital platform
6. iERP- Opensource Enterprise Resource Planning for DPD

The primary objective of inducting Mr. Raja Srinivas Nandigam as a co-applicant is to leverage his extensive experience and expertise in the IT industry. Mr. Raja Srinivas Nandigam brings a wealth of knowledge and a proven track record in various facets of Information Technology, which will be instrumental in driving the company's strategic goals and operational excellence.

Mr. Raja Srinivas Nandigam deeply understands the industry, having spent over 15 years in various leadership roles. His extensive network within the industry can open up new opportunities for partnerships, collaborations, and business expansions, enhancing the Company's market position.

8. Brief description of the business strategy

The Scheme of Arrangement involves the merger of the Transferor Company ("RNIT") into M/s. Autopal Industries Ltd (Corporate Debtor) ensures the continuity of the Corporate Debtor, which preserves the going concern valuation of the Corporate Debtor and also develops the market and generates adequate cash flow as compared to an asset under liquidation.

Introducing new product categories in the existing business may expose the Company to new challenges and more risks. Failure to innovate the product mix and adapt to changes may adversely affect the Company's business, financial condition, cash flows, and results of operations.

Further, the Company does not hold any long-term agreements with any of its customers. The absence of any contractual exclusivity in relation to business arrangements with customers poses a challenge to the Company's ability to continue to supply products to the customers in the future.

The Resolution Applicant(s) contemplates carrying out information technology and IT services in the Company rather than continuing the present business activities, i.e., LED lighting products. The Resolution Applicant(s) are well versed in the nitty-gritty of building a value chain in the information technology industry, more particularly in the emerging cutting-edge technologies.

The Resolution Applicant wants to create value proportion to the corporate debtor and augment the value chain through value chain integration in Technology.

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Market Size and Growth
The market potential for Artificial Intelligence (AI)-driven mobile-based identification and information management systems is substantial and growing, driven by several factors:

Global AI Market: The global AI market size was valued at USD 62.35 billion in 2020 and is projected to reach USD 733.7 billion by 2027, growing at a CAGR of 42.2% from 2020 to 2027.

Biometric Systems Market: The global biometric systems market was valued at USD 33.8 billion in 2020 and is expected to reach USD 65.3 billion by 2025, growing at a CAGR of 14.6%.

Mobile Security Market: The global mobile security market is expected to grow from USD 3.3 billion in 2020 to USD 7.5 billion by 2025, at a CAGR of 17.7%.

9. Any other material information not involving commercial secrets
Not applicable

10. Proposed steps to be taken by the incoming investor/ acquirer for achieving the Minimum Public Shareholding ("MPS")

The Company and its promoters have a time of 1 year to achieve minimum 10% public holding and a time of 3 years to achieve 25% minimum public Holding. The Company shall achieve MPS in compliance with the MPS guidelines issued by the SEBI.

11. Quarterly disclosure of the status of achieving the MPS

The same shall be updated on periodic basis to the Exchange.

12. The details as to the delisting plans, if any approved in the Resolution Plan

The Company have no delisting plans and shall be operating the Company as the listed Company. The same is also envisaged in the resolution plan.

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ANNEXURE-II

SILENT FEATURES OF THE SCHEME OF ARRANGEMENT FOR THE MERGER OF RNIT SOLUTIONS & SERVICES LIMITED INTO AUTOPAL INDUSTRIES LIMITED AS APPROVED ALONG WITH THE RESOLUTION PLAN, IN COMPLIANCE WITH REGULATION 30 READ WITH SCHEDULE III OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018

The Scheme of Arrangement ("Scheme") which is part of this Resolution Plan, provides for the merger of RNIT Solutions & Services Limited ("Transferor Company") with and into M/s. Autopal Industries Limited (Transferee Company), and consequent allotment of shares of Corporate Debtor to the shareholders of the M/s RNIT Solutions & Services Limited ("Transferor Company") as per the Scheme of Arrangement forming part of this plan.

1. DETAILS OF THE SCHEME OF ARRANGEMENT:

The Resolution Applicant(s) contemplates a corporate restructuring by merging M/s RNIT Solutions & Services Limited with and into the corporate debtor, i.e., M/s. Autopal Industries Ltd ("Transferee/Resulting Company"), and consequently allotting shares of the Corporate Debtor to the shareholders of M/s RNIT Solutions & Services Limited ("Transferor Company") as part of the corporate debtor's insolvency resolution.

The Board of Directors of the Transferor Company ("RNIT") have approved the merger with and into the corporate debtor vide its Board resolution dated 10/07/2024, and shareholders of the Transferor Company ("RNIT") have approved in their extra general meeting held on 11/07/2024 to merge with and into the corporate debtor pursuant to the approval of the Resolution plan by the Hon'ble NCLT.

Rationale behind the Scheme of Arrangement;

The Scheme of Arrangement involves the merger of the Transferor Company ("RNIT") into M/s. Autopal Industries Ltd (Corporate Debtor) ensures the continuity of the Corporate Debtor, which preserves the going concern valuation of the Corporate Debtor and also develops the market and generates adequate cash flow as compared to an asset under liquidation. Other benefits for both Companies are as follows:

a. Help to facilitate the revival of M/s. Autopal Industries Limited as a going concern.
b. Result in enhancing the scale of operations and reduction in overheads, administrative, managerial, and other expenditure, operational rationalisation, sharing of organisational efficiency, and optimal utilisation of resources
c. Amalgamation would enhance shareholder value for both companies by improving financial position and cash flows, increasing asset base, and generating stronger consolidated revenue and profitability.
d. The combined entity will help undertake larger expansion strategies and tap bigger opportunities in the industry.

2. BRIEF NOTE ON THE TRANSFEROR COMPANY

M/s RNIT Solutions & Services Limited ("Transferor Company") is a limited company with its registered office at Plot No 92,93 & 94, Kavuri Hills, Madhapur, Hyderabad-500034. The Company was incorporated on 23/04/2019 with corporate identity number U72900TG2019PLC132226.

Business activities M/s. RNIT Solutions & Services Limited ("Transferor Company")

RNIT Solutions and Services Limited is an innovative and forward-thinking organization specializing in harnessing emerging technologies to drive large-scale digital transformation programs in State and central Government departments and corporate businesses nationwide.

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RNIT is a Leading Native SAAS player. Through its futuristic artificial intelligence Solutions, the Company is identifying over 1,00,00,000+ faces daily and crafting real-time accountability in business processes, thereby placing it at the forefront of the Digital Transformation Landscape.

With a strong commitment to helping businesses thrive in the digital age, the Company offers a wide range of solutions tailored to meet its clients' evolving needs. With a fresh perspective and a team of highly skilled professionals, the Company is poised to revolutionize the digital landscape in the future.

The Resolution Applicant, Mr. Raja Srinivas Nandigam, is presently the managing director of M/s RNIT Solutions & Services Limited and holds a majority stake in the Company.

3. ALLOTMENT OF SECURITIES PURSUANT TO THE SCHEME OF ARRANGEMENT

In consideration of the transfer/merger of M/s. RNIT Solutions & Services Limited ("Transferor Company") into the Corporate Debtor ("Transferee Company"), and pursuant to the approval of the Resolution plan by the Hon'ble NCLT, the corporate debtor allots equity shares to the shareholders of the M/s. RNIT Solutions & Services Limited (Transferor Company) in the following swap ratio.

Swap ratio (Refer to the Scheme of Arrangement enclosed as part of this Resolution Plan)
"5 (Five) Equity shares of Rs. 10/- each of M/s. Autopal Industries Ltd shall be issued for every 1 (One) Equity shares Rs. 10/- each to every shareholder of the M/s. RNIT Solutions & Services Limited held on Record Date".

The Share Exchange Ratio has been arrived at based on the Valuation Report prepared by Mr. Sri Ranga Gorantla, Registered Valuer (Securitas or Financial Assets) with Regn No. IBBI/RV/02/2019/11253 dated 10th July 2024. (Valuation Report enclosed).

Number of Shares allotted pursuant to the merger of M/s. RNIT Solutions & Services Limited
Pursuant to the approval of the resolution by the Hon'ble NCLT, an allotment of 7,13,74,990 Equity shares of Rs. 10/- each fully paid up to the Shareholders of M/s. RNIT Solutions & Services Limited shall be considered proportionately for the merger of the Transferor Company into the Corporate Debtor.

OTHER APPROVALS FOR MERGER:

It is clarified that the approval under the NCLT Order shall constitute adequate approval (under Section 230 to 232 and other relevant provisions of the Companies Act, 2013) for the merger of the Transferor Applicant(s) ("RNIT") with and into the corporate debtor/Transferee Company, as of Implementation Date, in accordance with all provisions of Applicable Law. This Scheme will result in the consolidation of the business of each of the Transferor Company ("RNIT") and corporate debtor/Transferee Company (Autopal Industries Ltd) as existing as on the Appointed Date.

The Amalgamation of the Transferor with and into the corporate debtor is in compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.

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