

Mukand Ltd.

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Tel : 91 22 6121 6666 Fax : 91 22 2202 1174
www.mukand.com

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Post office Kalwe, Thane, Maharashtra
India 400 605
Tel : 91 22 2172 7500 / 7700 Fax : 91 22 2534 8179
CIN : L99999MH1937PLC002726

20th August, 2022

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| To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Scrip Code: 500460 ISIN: INE304A01026 | To, National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai – 400051 Symbol: MUKANDLTD ISIN: INE304A01026 |
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Re: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Certified True Copy of Order of NCLT sanctioning Scheme of Arrangement

Dear Sir / Madam,

Further to our later dated 14th May, 2022, please find attached herewith certified copy of Order of National Company Law Tribunal, Mumbai Bench (NCLT), sanctioning Scheme of Arrangement amongst Mukand Sumi Metal Processing Limited (Demerged Company/ Transferor Company), Mukand Sumi Special Steel Limited (Resulting Company/ Transferee Company) and their respective shareholders and creditors, under the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 and rules thereunder, for transfer of Alloy Steel Business of Demerged Company to Resulting Company.

We request you to kindly take note of the above.

Thanking You,

Yours Faithfully,

For **MUKAND LIMITED**

Rajendra Sawant
Company Secretary

Encl: as above



proposed Scheme is expected to enable better realisation of potential of the businesses, yield beneficial results and enhanced value creation for the Petitioner Companies, their respective shareholders, creditors, lenders, consumers and employees.

- iii) In line 3 of Paragraph 16 at Page no.21, "Company Scheme Application was filed on **10th October 2020**" shall be read as "Company Scheme Application was filed on **20th October 2020**"
- iv) In Paragraph 18 at Page No.21, C.P. number is shown as "**C.P(CAA)/1123 of 2020**" shall be read as **C.P.(CAA)/151 of 2021**".
- v) Paragraph 22 at Page No.22 reads as "The Scheme of Arrangement is sanctioned hereby, and the appointed date of the Scheme of Merger by Absorption is 1st day of April, 2020 as defined the Scheme" shall be read as "The Scheme of Arrangement is sanctioned hereby, and the appointed date of the Scheme of **Arrangement** is 1st day of April, 2020 as defined in the Scheme"

The rest of the order shall stand unchanged. With the aforesaid direction **CA 315/2022 In C.P.(CAA)/151(MB)2021 stands disposed of.**

Sd/-

SHYAM BABU GAUTAM
Member (Technical)

JAGDISH

Sd/-

JUSTICE P. N. DESHMUKH
Member (Judicial)



Certified True Copy _____
Date of Application 14/07/2022
Number of Pages 2
Fee Paid Rs. 10/-
Applicant called for collection copy on 19/8/22
Copy prepared on 19/8/22
Copy filed on 19/8/22

P. S. Sonawane
Deputy Registrar 19/8/2022
National Company Law Tribunal, Mumbai Bench

IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT - II

C.P. (CAA)/151/MB/2021

CONNECTED WITH

C.A. (CAA)/1123/MB/2020

In the matter of the Companies Act, 2013;

And

In the matter of the Sections 230 to 232 read with
Section 52 of the Companies Act, 2013 and other
applicable provisions of the Companies Act, 2013;

And

In the matter of the Scheme of Arrangement
amongst Mukand Sumi Metal Processing Limited
and Mukand Sumi Special Steel Limited and their
respective Shareholders and Creditors.

Mukand Sumi Metal Processing Limited, an
unlisted public company incorporated under the
provisions of the Companies Act, 1956, having
CIN U27300MH2012PLC234000 and its
registered office at 3rd floor, Bajaj Bhawan,
Jammalal Bajaj Marg, 226, Nariman Point,
Mumbai – 400021

...Petitioner Company No. 1.
/Demerged Company



Mukand Sumi Special Steel Limited, an unlisted public company incorporated under the provisions of the Companies Act, 2013, having CIN U27310MH2015PLC260936 and its ...Petitioner Company No. 2 registered office at Thane-Belapur Road, /Resulting Company Kalwa, Thane- 400 0605.

Order delivered on :- 12.05.2022

Coram:

Hon'ble Member (Judicial) : Justice P.N. Deshmukh (Retd.)
Hon'ble Member (Technical) : Mr. Shyam Babu Gautam

Appearances:

For the Petitioners(s): Mr. Gauraj Shah Counsel a/w Mr. Ajit Singh Tawar, Advocates i/b M/s. Kanga and Company, Advocates for Petitioners.
For Regional Director: Ms. Rupa Sutar, Deputy Registrar

ORDER

Per:- Justice P.N. Deshmukh, Member Judicial

1. This bench is convened through video conference.
2. Heard the learned counsel for the Petitioner Companies. No objector has come before the Tribunal to oppose the Petition and nor any party has controverted any statements made in the Petition.



3. The sanction of this Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013, to the Scheme of Arrangement amongst Mukand Sumi Metal Processing Limited, Petitioner No.1 and Mukand Sumi Special Steel Limited, Petitioner No.2 and their respective Shareholders and Creditors.
4. Petitioner No.1 is engaged in manufacturing, purchase, refinement, preparation, import, export, sale and generally to deal in iron & steel in all forms, and/or by-products thereof. It is engaged in the business of (i) special alloy steel cold finished bars and wires and (ii) stainless steel cold finished bars and wires. Petitioner No.2 is engaged in the rolling & finishing of Alloy Steel blooms/billets into bars & rods under an arrangement with Mukand Limited and marketing of alloy steel products. The equity shares of Petitioner No.1 are not listed on any stock exchanges in India. The equity and preference shares of Petitioner No.2 are not listed on any stock exchanges in India.
5. The Learned Counsel for the Petitioner Companies states that the Scheme of Arrangement is presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for the demerger of the alloy steel cold finished bars and wires business of Petitioner No. 1 into Petitioner No. 2.
6. The Learned Counsel for the Petitioner Companies further submits the Introduction and Rationale for the Scheme (demerger) is as follows:-
 - a. That the proposed Scheme is expected to enable better realisation of potential of the businesses, yield beneficial results and enhanced value creation for the Petitioner Companies, their respective shareholders, creditors, lenders, consumers and employees. The rationale for the Scheme is set out below.

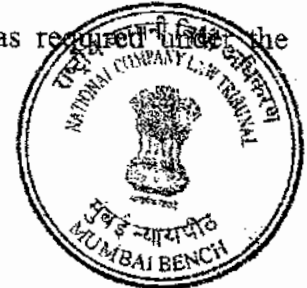


- b. The proposed Demerger will result in consolidation of Alloy Steel Business of Petitioner No.1 in a single entity, Petitioner No.2, resulting in alignment of interest of all shareholders, concentrated management focus, integration of business operations, greater financial strength and to maximise overall shareholders' value;
 - c. the Scheme will enable Petitioner No.1 to focus on and enhance its remaining business operations by streamlining its operations;
 - d. the Scheme will help in achieving and sustaining competitiveness and development of internal core competencies of the Petitioner Companies in the long term;
 - e. Synergies in operational processes arising from the proposed Demerger are expected to bring greater productivity & cost savings in marketing, selling and distribution expenses, resulting in benefit of economies of scale to Petitioner No.2.
7. The Counsel for the Petitioner Companies submits that the Board of Directors of both the Petitioner Companies in their respective meetings held on 13th February, 2020 have approved the Scheme of Arrangement with the Appointed Date as 1st April, 2020, the copies of the Board resolutions are annexed to the Company Scheme Petition.
8. The Learned Counsel for the Petitioner Companies submits that the Company Scheme Petition is filed in consonance with sections 230 to 232 of the Companies Act, 2013 along with the Order passed in the connected Company Scheme Application Nos. C.A.(C.A.A.)/1123/MB/2020 by this Tribunal.
9. By Order dated 26th April 2021 passed by the National Company Law Tribunal, Mumbai Bench in C.A.(CAA)/1123/MB/2020, the meetings of Equity Shareholders of the Petitioner Companies was dispensed with in view of the fact that, the respective Equity Shareholders of the Petitioner Companies had given their consent to the Scheme for



dispensing with the convening and holding of the meeting of the Shareholders by way of consent affidavits which were produced before this Hon'ble Tribunal.

10. The Learned Counsel further states that pursuant to the directions contained in the said Order dated 26th April 2021, that the convening and holding of the meeting of the Preference shareholder of the Petitioner No. 2 was dispensed with in view of the fact that there is only one Preference Shareholder of the Petitioner Company No. 2 who had provided his consent to the Scheme by way of consent affidavit.
11. The Learned Counsel further states that pursuant to the directions contained in the said Order dated 26th April 2021 the meeting of the Secured Creditors of the Petitioner Companies was dispensed with in view of the undertaking that the Petitioner Companies would serve individual notices on their Secured Creditors. The Petitioner Companies had on 10th June, 2021 and 18th June, 2021 respectively dispatched notices to all their Secured Creditors.
12. The Learned Counsel further states that pursuant to the directions contained in the said Order dated 26th April 2021 the meeting of the Unsecured Creditors of the Petitioner Companies was dispensed with in view of the undertaking that the Petitioner Companies would serve individual notices on their Unsecured Creditors. The Petitioner Companies had on 10th June, 2021 and 23rd June, 2021 dispatched notices to all their Unsecured Creditors as on 31st March, 2021.
13. The Counsel appearing on behalf of the Petitioner Companies further states that the Petitioner Companies have complied with all the requirements as per the directions of the Hon'ble Tribunal and they have filed necessary affidavits of compliance in the Hon'ble Tribunal. Moreover, the Petitioner Companies, through their Counsel, undertake to comply with all statutory requirements if any, as required under the



Companies Act, 2013 and the Rules made there under whichever is applicable. The said undertakings given by the Petitioner Companies are accepted.

14. Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed his report dated March 30, 2022 inter alia stating therein that save and except as stated in paragraph IV of the said report, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In response to the observations made by the Regional Director, the Petitioner Companies have filed their combined affidavit dated 11th April, 2022. The observations of the Regional Director and the Petitioner Companies' response to the said observations are summarised below:

| Sl. No. (Col. 1) | RD Observation via RD Report dated 30 th March, 2022 (Column 2) | Reply Via Consolidated RD Reply dated 11 th April, 2022 (Column 3) |
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| IV(a) | In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc. | The Petitioner Companies undertake that in compliance with the said AS 14 (now IND-AS 103), accounting entries which are necessary in connection with the Scheme to comply with other Accounting Standards such as AS-5 (now IND AS-8) etc, if applicable, will be duly passed by them. |
| IV(b) | As per Definition of the Scheme, | The Petitioner Companies submit that the Appointed Date in present Scheme |



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| <p>“Appointed Date” means 1st April, 2020 or such other date as the National Company Law Tribunal (defined hereinafter) may decide/ approve being the date with effect from which the Scheme shall become operative and / or be deemed to have become operative; And</p> <p>“Effective Date” means the last of the dates on which all the conditions and matters as referred to in Clause 22 of the Scheme occur or have been fulfilled, obtained or waived in accordance with this Scheme. References in this Scheme to date of ‘upon this Scheme becoming effective’ or ‘upon this Scheme coming into effect’</p> | <p>compliance with the requirements of circular no. F. No. 7/12/2019/CI-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs (“said Circular”).</p> <p>It is submitted that the Scheme was approved by the Board of Directors of the Petitioner Companies on 13th February, 2020 and the Company Application was presented on 20th October, 2020, which is less than a year prior to the “appointed date” under the Scheme, i.e. 1st April, 2020. Consequently, the present case is squarely covered by the said Circular.</p> |
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means the Effective Date;

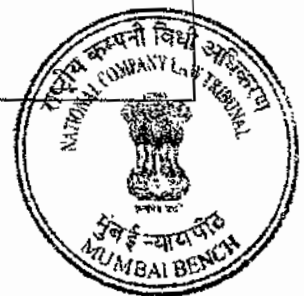
In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date.

However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.

Appointed date is antedated for 2 years, therefore, the petitioner company may be directed to amend the appointed date which



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| | <p>shall not be earlier than 1 year.</p> <p>Further, the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7 / 12 / 2019 / CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p> | |
| IV(c) | <p>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.</p> | <p>The Petitioner Companies submit that the Hon'ble Tribunal was pleased to dispense with the meetings of the shareholders and creditors of the respective Petitioner Companies as set out in the order dated 26th April 2021 passed in the captioned Company Scheme Application for the reasons set out therein. As such, there is no question of placing minutes of meetings of shareholders and creditors before this Hon'ble NCLT in this regard.</p> |



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| <p>IV(d)</p> | <p>Clause-16.2.4 of <u>Accounting Treatment of the scheme</u>; stated that the excess, if any, between the carrying value of assets and liabilities transferred to the Resulting Company and the consideration discharged by way of issuance of equity shares as per Clause 16.2.3. above, to the shareholders of the Demerged Company, upon Demerger of the Demerged Undertaking shall be credited to capital reserve account in the books of the Resulting Company. In this regard it is submitted that as per Accounting Standard 14, such surplus / deficit if any arising out of the scheme should be credited/debited to the</p> | <p>The Scheme, <i>inter alia</i>, provides as follows:</p> <p>“16.2 In the books of the Resulting Company:</p> <p>16.2.4. The excess, if any, between the carrying value of assets and Liabilities transferred to the Resulting Company and the consideration discharged by way of issuance of equity shares as per Clause 16.2.3. above, to the shareholders of the Demerged Company, upon Demerger of the Demerged Undertaking shall be credited to capital reserve account in the books of the Resulting Company.</p> <p>16.2.5. The deficit, if any, between the carrying value of assets and Liabilities transferred to the Resulting Company and the consideration discharged by way of issuance of equity shares as per Clause 16.2.3. above, to the shareholders of the Demerged Company, upon Demerger of the Demerged Undertaking shall be debited to securities premium account in the books of the Resulting Company in terms of Clause 19 of Part IV of the Scheme.”</p> |
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| | <p>Capital Reserve / Goodwill arising out of demerger. Such Capital Reserve, arising out of the demerger shall not be considered as free reserve and not available for distribution of dividend.</p> | <p>The Petitioner Companies submit that the Scheme duly provides that, the deficit/surplus, if any, arising out of the Scheme, will be debited to securities premium account or credited to capital reserve of the Resulting Company, as the case may be.</p> <p>The capital reserve, if any, created pursuant to the Scheme shall not be considered as free reserve and will not be available for distribution of dividend.</p> |
| <p>IV(e)</p> | <p>It is submitted that the petitioner Company has stated that the scheme is in compliance of Section 2(19AA), in this regard, petitioner company may be directed to place on record that as to how this scheme is in compliance of Section 2(19AA) of the Income Tax Act, 1961.</p> | <p>The Petitioner Companies submit that the Scheme is in compliance with Section 2(19AA) of the Income-tax Act, 1961, <i>inter alia</i>, since</p> <p>(i) the properties and liabilities pertaining and/or relatable to the Demerged Undertaking, being transferred, becomes the properties and liabilities of the Resulting Company upon demerger;</p> <p>(ii) consideration for the above transfer is discharged in the form of issue of equity shares by the Resulting Company on a proportionate basis to shareholders of the Demerged Company, holding not less than three-fourths in value of the shares in the Demerged Company and such shareholders shall become shareholders of Resulting Company.</p> |



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| | | <p>(iii) the property and the liabilities of the Demerged Undertaking being transferred by the Demerged Company are transferred at values appearing in its books of account immediately before the demerger; and</p> <p>(iv) transfer of Demerged Undertaking is on-going concern basis.</p> |
| IV(f) | The Petitioner Companies be directed to place on record of this Tribunal the list of assets to be demerged with complete details of its assets and valuation. | The Petitioner Companies submit the list of assets to be demerged with complete details of the assets and their value are annexed thereto and marked as Exhibit "A". |
| IV(g) | The Petitioner Company to place on record as to what is the business left in demerged company after transfer of Demerged undertaking | <p>Mukand Sumi Metal Processing Limited (Petitioner No. 1) is engaged in the business of (i) special alloy steel cold finished bars and wires ("Alloy Steel Business") and (ii) stainless steel cold finished bars and wires.</p> <p>Pursuant to the Scheme being made effective, the Alloy Steel Business of Mukand Sumi Metal Processing Limited (Petitioner No. 1) will be demerged into Mukand Sumi Special Steel Limited (Petitioner No. 2).</p> |



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| | | As such, the Stainless Steel Business will be left in Mukand Sumi Metal Processing Limited (Petitioner No. 1). |
| IV(h) | As per Clause-19 of the Scheme, the petitioner company proposes for reduction of securities premium in resulting company. In this regard, the petitioner company may be directed to comply with the provisions of Section 52 and 66 of the Companies Act, 2013. | <p>The Petitioner Companies submit that as per the explanation to Section 230 of the Companies Act, 2013, the provisions of Section 66 of the Companies Act, 2013 shall not apply to the reduction of share capital effected pursuant to the order of the Tribunal under Sections 230-232. The relevant explanation is extracted hereinbelow for easy reference of this Hon'ble Tribunal:</p> <p><i>"For the removal of doubts, it is hereby declared that the provisions of section 66 shall not apply to the reduction of share capital effected in pursuance of the order of the Tribunal under this section."</i></p> <p>Further, the Petitioner Companies submit that the Hon'ble National Company Law Appellate Tribunal (NCLAT) in R. Systems International Limited 2018 SCC Online NCLAT 321, had an occasion to deal with the aforesaid issue. It is relevant to note that the Hon'ble NCLAT had held as follows:</p> |



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| | <p><u>"7. From the explanation below Section 230, it will be evident that for passing an order under Section 230 to compromise or make arrangements with the creditors and the members, the provision of Section 66 shall not apply for reduction of share capital. Such order can be passed by the Tribunal under Section 230 of the Act.</u></p> <p><u>8. In view of the aforesaid provisions, we hold that the Tribunal failed to notice the 'Explanation' below Section 230, which makes it clear that even for reduction of share capital effected in pursuance of the order of the Tribunal under Section 230, the provision of Section 66 shall not apply.</u></p> <p><u>9. As noticed above, earlier the Hon'ble High Courts used to entertain application(s) under Section 391 for reduction of share capital. This will be evident from the decision of the Hon'ble Bombay High Court in "Investment Corporation of India Ltd." (1987) 61 Com Cases 92 Bom"; Hon'ble High Court of Gujrat in "Gujarat Ambuja Exports Ltd." 2003-(CC1)-GJX-0113-GUJ"; Hon'ble High Court of Madras in "Panasonic Appliances India Co. Limited" in Company Petition No. 331 of 2013 and the Hon'ble High Court of Andhra Pradesh in</u></p> |
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| | | <p><u>decision in "Jyoti Inraventures Limited"</u> <u>Company Petition No. 263 of 2013" decided</u> <u>on 21st April, 2014.</u></p> <p>Now it is not necessary to refer the earlier decisions in view of the 'explanation' below Section 230. Having held that the Tribunal failed to notice the aforesaid observations, we have no other option but to set aside the order dated 8th December, 2017 passed in CA (CAA)-105(ND)/2017 which is accordingly set aside."</p> <p><i>Emphasis Supplied</i></p> <p>Therefore, the Petitioner Companies submit that, since in the captioned matter, the Scheme of Arrangement involves inter-alia capital reduction of the share capital of Resulting Company, proposed to be undertaken/ implemented by way of sanction obtained through an order from this Hon'ble Tribunal under Sections 230 to 232 of the Companies Act, 2013, on the application of the explanation provided under Section 230 of the Companies Act, 2013, and also the ratio laid down by the Hon'ble NCLAT, the provisions of S</p> |
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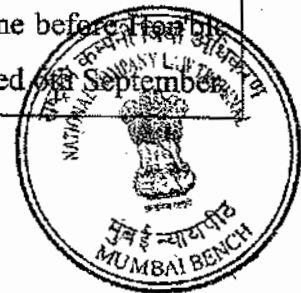
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| | | 66 of the Companies Act, 2013 shall not apply to the present case. |
| IV(i) | It is observed that the Petitioner Companies are having non-residential Shareholders/ foreign shareholders, therefore, petitioner company may be directed to comply with the provisions of FEMA and RBI guidelines. | The Petitioner Companies undertake to comply with the applicable provisions of FEMA and RBI guidelines. |
| IV(j) | The Hon'ble Tribunal may hereby kindly consider the report of ROC as narrated in Para III(14) above and pass appropriate order. | <p>The Petitioner Companies undertake to comply with the observations made by ROC Mumbai in its report in accordance with the applicable provisions of law as follows:</p> <p>(i) It is submitted that the observation made by ROC w.r.t. disagreement between the Scheme and MCA Mater data on the amount of paid up Share Capital appears to be incorrect since as per the MCA Master data the paid up Share Capital is reflected as INR 41,58,58,430 which agrees with the Scheme.</p> |



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| | | <p>It appears that the ROC has wrongly considered the paid up Share Capital as INR 41,58,57,000.</p> <p>(ii) Charges of the Demerged Company forming part of the Demerged Undertaking shall stand transferred to the Resulting Company.</p> <p>(iii) Charges of the Resulting Company shall remain unaffected pursuant to the effectiveness of the Scheme.</p> <p>(iv) ROC has given the observation that the Petitioner Companies had not filed e-form MGT-14 with ROC office intimating the Board approval for the Scheme (Sec 179(3)(i) read with Sec 117(3)(g) of Companies Act, 2013). However, the said observation appears to be incorrect since the Petitioner Companies had already filed e-form MGT-14 intimating the Board approval for the Scheme.</p> <p>Copy of the e-form MGT-14 as filed by the Petitioner Companies is attached herewith</p> |
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| | | <p>and marked as Exhibit "B" Colly for this Hon'ble Tribunal's reference.</p> <p>(v) The Petitioner Companies undertake to deal with the creditors in the ordinary course of business, as per law.</p> |
| IV(k) | <p>The Income Tax Department has submitted their letter dated 02.09.2021 and 06.09.2021, which are enclosed herewith, therefore, the Hon'ble tribunal may hear to the Income Tax Department before consideration of the Scheme. Copy of the letters are enclosed as <u>Exhibit-'E'</u> colly.</p> | <p>The Petitioner Companies submit that the Income Tax Department vide letter dated 2nd September, 2021 addressed to the Regional Director, Western Region, requested Regional Director to direct the Petitioner Companies to submit details asked by the Income Tax Department vide their letters dated 20th August, 2021 served separately on each of the Petitioner Companies.</p> <p>The Petitioner Companies submit that the requisite information was submitted by each of them vide letters dated 3rd September, 2021, copies of the letters dated 3rd September 2021 are attached herewith and marked as Exhibit "C" Colly.</p> <p>The Petitioner Companies further submit that the Income Tax Department submitted observations on the Scheme before Hon'ble Tribunal vide its letter dated 03rd September</p> |



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| | <p>2021 against which the following clarification is being made:</p> <p>(i) As far as the observation of the Income Tax Department as stated in paragraph 4 of the said letter is concerned, the Petitioner Companies submit that as per Clause 9 of the Scheme, all Legal Proceedings of whatsoever nature, by or against, pertaining to the Demerged Undertaking shall not abate or be discontinued or in any way be prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or anything contained in this scheme, the said Legal Proceedings, whether pending and/ or arising on or before the Appointed Date, or which may be instituted any time thereafter, shall be continued and/ or enforced by or against the Resulting Company after the Effective Date, to the extent legally permissible, in the same manner and to the same extent as if the same had been instituted and/ or pending and/ or arising by or against Resulting Company. The Petitioner Companies confirm that the scheme shall be without prejudice to the rights of the Income Tax Department and the</p> |
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| | | <p>Income-tax Department may proceed against the Resulting Company, w.r.t. litigation pertaining to Demerged Undertaking transferred to Resulting Company pursuant to Demerger, in terms of applicable laws.</p> <p>(ii) As far as observation of the Income Tax Department as stated in paragraph 5 of the said letter is concerned, the Petitioner Companies submit that sanction of the Scheme would not adversely impact the rights of the Income Tax Department for any present or future proceedings.</p> |
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15. The observations made by the Regional Director have been explained in Column 2 of table provided in Para 14 above. The clarifications and undertakings given by the Petitioner Companies have been explained in Column 3 of the table provided in Para 14 above. Further, with respect to the response of the Petitioner Companies to the observation made by Regional Director in para IV (a) to (k) in its Report, the Regional Director vide his supplementary report dated 13th April 2022 in paras 3 and 4 has stated that as in respect of reply of the Petitioner company of observation IV(b) of the Report, the Petitioner Company may kindly be directed to amend its Appointed date from 1.04.2020 to 01.04.2021 or thereafter and as regard to reply of observation IV(k) of the report, the Hon'ble NCLT may kindly hear to Income Tax authority before considering the present Scheme.



16. With regard to the observations made by the Regional Director in para 3 and 4 of his Supplementary Report dated 13.04.2022, the Petitioner Companies state that the Company Scheme Application was filed on 10th October 2020 and the Appointed Date is 1st April 2020 which is within one year from the date of filing of the Company Scheme Application and therefore the Provisions of Circular No. F. No. 7/12/2019/CL-1 dated 21st August 2019 issued by the Ministry of Corporate Affairs, Government of India do not apply. The Petitioner Companies further stated that with regards the observations made in para 4 the Petitioner Companies have confirmed that the scheme shall be without prejudice to the rights of the Income Tax Department and the Income-tax Department may proceed against the Resulting Company, with regard to litigation pertaining to Demerged Undertaking transferred to Resulting Company pursuant to Demerger, in terms of applicable laws. The said undertakings and confirmations are accepted.
17. From the material on record, the Scheme appears to be fair and reasonable and does not violate any provisions of law and is not contrary to public policy or public interest.
18. Since all the requisite statutory compliances have been fulfilled, C.P. (CAA)/1123 of 2020 have been made absolute in terms of the prayers of the Petition mentioned therein.
19. The Petitioner Companies are directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form INC-28, in addition to the physical copy, within 30 days from the date of receipt of order duly certified by the Deputy/Assistant Registrar, of the National Company Law Tribunal, Mumbai Bench.
20. The Petitioner Companies to lodge a copy of this order duly certified by the Deputy/Assistant Registrar of the National Company Law Tribunal, Mumbai Bench, along with a copy of the Scheme of Arrangement with the concerned Superintendent of



Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the certified true copy of the order.

21. All concerned Regulatory authorities to act on a copy of this order duly certified by the Deputy/Assistant Registrar, National Company Law Tribunal, Mumbai Bench along with Scheme.
22. The Scheme of Arrangement is sanctioned hereby, and the appointed date of the Scheme of Merger by Absorption is 1st day of April, 2020 as defined the Scheme.

Ordered accordingly. Pronounced in open court today.




Sd/-

SHYAM BABU GAUTAM
MEMBER TECHNICAL

Sd/-

JUSTICE P.N. DESHMUKH
MEMBER JUDICIAL

Certified True Copy _____
Date of Application 19/7/22
Number of Pages 22
Fee Paid Rs. 110/-
Applicant called for collection copy on 19/8/22
Copy prepared on 19/8/22
Copy Issued on 19/8/22


Deputy Registrar 19/8/2022
National Company Law Tribunal, Mumbai Bench

ANNEXURE - "K"

403

SCHEME OF ARRANGEMENT

(Under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 and rules thereunder)

AMONGST

MUKAND SUMI METAL PROCESSING LIMITED

AND

MUKAND SUMI SPECIAL STEEL LIMITED

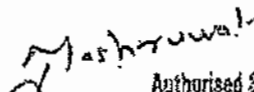
AND

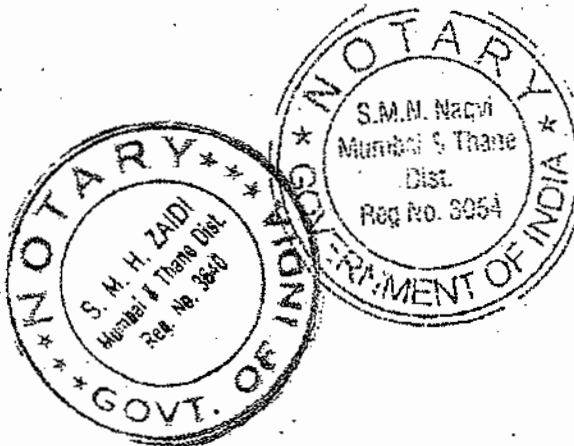
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

FOR MAKAND SUMI METAL PROCESSING LTD.


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FOR MAKAND SUMI SPECIAL STEEL LIMITED


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PREAMBLE

- A. This Scheme (*defined hereinafter*) is presented under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 for Demerger (*defined hereinafter*) of Demerged Undertaking (*defined hereinafter*) of Mukand Sumi Metal Processing Limited ("MSMPL" or "Demerged Company") into Mukand Sumi Special Steel Limited ("MSSSL" or "Resulting Company").

DESCRIPTION OF COMPANIES

- A. Mukand Sumi Metal Processing Limited (previously known as Technosys Metal Processing Limited) (CIN: U27300MH2012PLC234000) (PAN: AAECT3291P) is an unlisted public company limited by shares, incorporated on 1st August, 2012 under the provisions of the Companies Act, 1956 as a private limited company and later on converted into a public limited company on August 23, 2012 ("MSMPL" or "Demerged Company"). On December 13, 2012, its name was changed to its present name, Mukand Sumi Metal Processing Limited. It has its registered office at 3rd Floor, Bajaj Bhawan, Jannalal Bajaj Marg, 226, Nariman Point, Mumbai – 400021. MSMPL is a joint venture between Mukand Limited & Sumitomo Corporation (Japan) formed for manufacture of cold finished bars and wires in India. MSMPL is *interalia*, engaged in manufacturing, purchase, refinement, preparation, import, export, sale and generally to deal in iron & steel in all forms, and/or by-products thereof. It is engaged in the business of (i) special alloy steel cold finished bars and wires and (ii) stainless steel cold finished bars and wires.
- B. Mukand Sumi Special Steel Limited (previously known as Mukand Alloy Steels Private Limited) (CIN: U27310MH2015PLC260936) (PAN: AAJCM5569J) is an unlisted public company limited by shares, incorporated on 15th January, 2015 under the provisions of Companies Act, 2013, as a private limited company ("MSSSL" or "Resulting Company"). It has its registered office at Thane – Belapur Road, Kalwa, Thane – 400 605. With effect from 20th Mar, 2018, it was converted into a public limited company and consequently its name was changed to "Mukand Alloy Steels Limited". Further, with effect from 3rd May, 2018, its name was changed to its present name Mukand Sumi Special Steel Limited. MSSSL is a joint venture between Mukand Limited & Sumitomo Corporation (Japan), engaged in the rolling & finishing of alloy steel blooms / billets into bars & rods under an arrangement with Mukand Limited and marketing of alloy steel products.
- C. MSMPL and MSSSL are collectively referred to as the "Companies".

RATIONALE

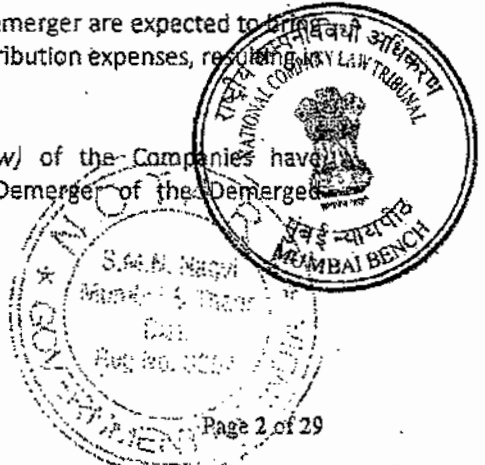
- A. This Scheme is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, creditors, lenders, consumers and employees. The rationale for the Scheme is set out below:
 - a) the proposed Demerger will result in consolidation of Alloy Steel Business (*defined hereinafter*) in a single entity, MSSSL, resulting in alignment of interest of all shareholders, concentrated management focus, integration of business operations, greater financial strength and to maximise overall shareholders' value;
 - b) the Scheme will enable MSMPL to focus on and enhance its remaining business operations by streamlining its operations;
 - c) the Scheme will help in achieving and sustaining competitiveness and development of internal core competencies of the Companies in the long term;
 - d) synergies in operational processes arising from the proposed Demerger are expected to bring greater productivity & cost savings in marketing, selling and distribution expenses, resulting in benefit of economies of scale to MSSSL.
- B. Consequently, the respective Board of Directors (*defined below*) of the Companies have propounded this Scheme and have accordingly proposed the Demerger of the Demerged Undertaking through the Scheme.

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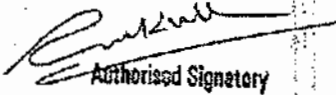
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PARTS OF THE SCHEME

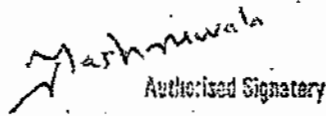
This Scheme is divided into the following parts:

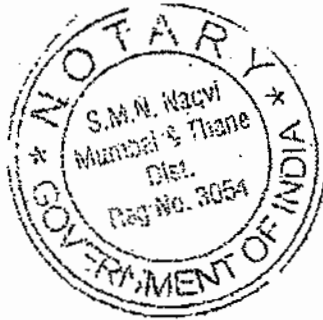
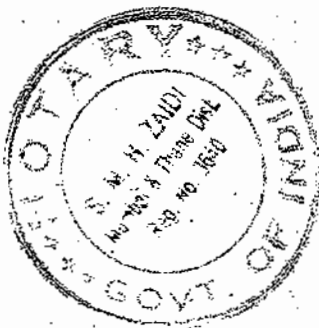
- (i) Part I, provides for definitions and interpretations;
- (ii) Part II, provides for the capital structure of the Companies;
- (iii) Part III, provides for the transfer and vesting of Demerged Undertaking of Demerged Company as a going concern, to the Resulting Company by way of Demerger, Accounting Treatment, Consideration and other matters incidental thereto;
- (iv) Part IV, deals with the general terms and conditions applicable to this Scheme which includes capital reduction.

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PART - DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 In the Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings given against them:

“Act” means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto from time to time and/or any re-enactment thereof for the time being in force;

“Alloy Steel Business” means the business of manufacturing and selling of alloy steel cold finished bars and wires of MSMPL, including *inter alia* all downstream operations for the manufacturing of cold finished bars and wires, the processes of normalizing, annealing, drawing peeling, grinding, pickling, coating and other processes in connection therewith.

“Applicable Law(s)” means any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force;

“Appointed Date” means 1st April, 2020 or such other date as the National Company Law Tribunal (*defined hereinafter*) may decide/ approve being the date with effect from which the Scheme shall become operative and / or be deemed to have become operative;

“Appropriate Authority” means any governmental body (central, state or local government), legislative body, departmental or public body, regulatory or administrative authority, agency or commission or any court, tribunal; board, bureau, instrumentality, judicial or arbitral body, statutory body, or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, including the central government, Registrar of Companies (*defined hereinafter*), , income tax authorities or the National Company Law Tribunal as may be relevant in the context;

“Board of Directors” or “Board” in relation to the Companies, as the case may be, means the board of directors of such company, and shall include a committee of directors duly constituted, empowered and authorised for the purposes of matters pertaining to the Scheme and/or any other matter relating thereto;

“CIN” means Corporate Identity Number issued by the Registrar of Companies;

“Demerged Company” means Mukand Sumi Metal Processing Limited, an unlisted public company limited by shares, incorporated on 1st August, 2012, under the provisions of the Companies Act, 1956, having its registered office at 3rd Floor, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman point, Mumbai-400021;

“Demerged Undertaking” means the Alloy Steel Business of Demerged Company including all related assets, liabilities, rights and powers, on a going concern basis, representing an undertaking in compliance with Sec. 2(19AA) of the Income Tax Act, as on the Appointed Date, which shall be transferred and vested with the Resulting Company upon Demerger by the Demerged Company in terms of this Scheme. Without prejudice and limitation to the generality of the above, the Demerged Undertaking means and includes:

- (i) all assets and movable properties wherever situated whether tangible or intangible, absolute or accrued, fixed or otherwise including property, goodwill and intangible assets, whether or not recorded in the books of Demerged Company (excluding assets pertaining to Remainder Business of Demerged Company), plant and machinery, vehicles, offices, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, in each case in connection with operating of or relating to the Alloy Steel Business including but not limited to all permissions, rights (including rights under any contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, etc.

NOTARY PUBLIC
S. M. H. ZAIDI
 Mumbai & Thane Dist.
 Govt. Reg. No. 100/2017
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NATIONAL COMPANY LAW TRIBUNAL
 Mumbai Bench
 Mumbai & Thane Dist.
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names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature, and all inventories, stock-in-trade or stock-in-transit and merchandising including raw materials, supplies, finished goods, wrapping supply and packaging items, all statutory licenses, quotas, registrations and /or permissions to carry on the operations of the Alloy Steel Business, and all deposits, advances and/ or moneys paid or received to/ by the Alloy Steel Business, earnest moneys and/or security deposits, cash and bank balances, advances, receivables; loans, securities, investments, post-dated cheques, ECS mandates, direct debit mandates, collection / escrow mechanism or other such payment mechanism, any other financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), rights and obligations under any agreement, customer contracts, hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, benefit of any security arrangements or under any guarantees, incentives(if any) in each case in relation to and for the benefit of the Alloy Steel Business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief included under the Income Tax Act such as all tax holidays and exemptions, benefits under the value added tax, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.), all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, email connection, other communication facilities, connections and installations, utilities, electricity and other services, provisions, funds and all other interests in connection with or relating to the Alloy Steel Business.

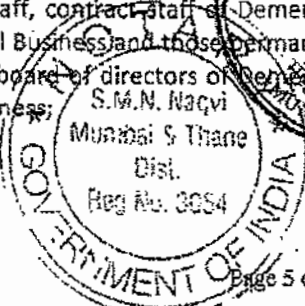
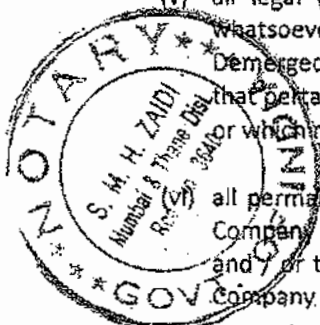
(ii) immovable property, both freehold and leasehold and any document of title, rights and easements in relation thereto, if any, together with all that pieces or parcels of freehold and leasehold lands, hereditaments and premises, situated, lying and being thereat together with all the buildings and structures standing thereon relating to the Alloy Steel Business as more particularly set out in Schedule 1;

(iii) all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements; relationship referral agreements, repossession agreements, all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in connection with or relating to the Alloy Steel Business;

(iv) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, entitlements to tax and other credits, set offs, carry forward balances, all tax holidays and exemptions, in connection with or relating to the Alloy Steel Business.

(v) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Appropriate Authority) initiated by or against Demerged Company or proceedings or investigations to which Demerged Company is party to that pertains to Demerged Undertaking, whether pending/ongoing as on the Appointed Date or which may be instituted any time in the future;

all permanent and / or temporary employees, workmen, staff, contract staff of Demerged Company engaged in directly or exclusively for the Alloy Steel Business and those permanent and / or temporary employees that are determined by the board of directors of Demerged Company to be engaged in or relating to the Alloy Steel Business;



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(vii) extension of insurance covers and / or benefits under the existing insurance policies providing insurance cover pertaining to the Alloy Steel Business;

(viii) All necessary books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Alloy Steel Business.

(ix) all Liabilities (including Liabilities, allocable as per this Scheme, if any), present and future, corporate guarantees issued and the contingent liabilities pertaining to or relatable to Alloy Steel Business, provided however that amounts of general or multipurpose borrowings, if any, of the Demerged Company will be apportioned on the basis of the proportion of the value of the assets transferred in Demerger to the total value of the assets of the Demerged Company as on the Appointed Date;

Any question that may arise as to whether a specified asset or Liability pertains or does not pertain to the Alloy Steel Business or whether it arises out of the activities or operations of the Alloy Steel Business of the Demerged Company shall be decided by mutual agreement between the Board of Directors of the Demerged Company and Resulting Company.

"Demerger" means transfer and vesting of Demerged Undertaking from the Demerged Company to the Resulting Company, on a going concern basis, in terms of Section 2(19AA) of the Income Tax Act, 1961, as provided in Part III of the Scheme;

"Effective Date" means the last of the dates on which all the conditions and matters as referred to in Clause 22 of the Scheme occur or have been fulfilled, obtained or waived in accordance with this Scheme. References in this Scheme to date of 'upon this Scheme becoming effective' or 'upon this Scheme coming into effect' means the Effective Date;

"Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "Encumbered" shall be construed accordingly;

"Income Tax Act" or "IT Act" means the Income Tax Act, 1961, including any amendments made therein or statutory modifications or re-enactments thereof for the time being in force and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force;

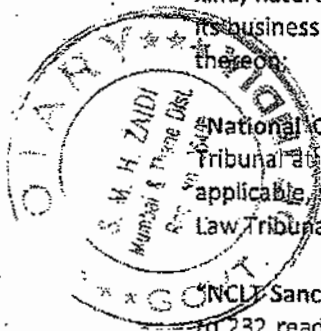
"IND AS" means the Indian Accounting Standards prescribed under Section 133 of the Act as notified under the Companies (Indian Accounting Standards) Rules, 2015;

"Legal Proceedings" means proceedings of whatsoever nature, civil or criminal, including any disputes, suits, actions, appeals, arbitrations, execution proceedings, revisions, writ petitions and taxation proceedings, pending before any statutory or quasi-judicial authority or tribunal ;

"Liabilities" means all present and future liabilities including contingent liabilities, secured and unsecured debts (whether in Indian rupees or foreign currency), duties and obligations of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any Encumbrance, including any bank guarantees thereon;

"National Company Law Tribunal" or "NCLT" means the bench of the National Company Law Tribunal at Mumbai, Maharashtra having jurisdiction over MSMPL and MSSSL and shall include any other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Act;

"NCLT Sanction Order" means the order of the NCLT sanctioning this Scheme under Sections 230 to 232 read with Section 52 and other applicable provisions of the Act, including any alteration

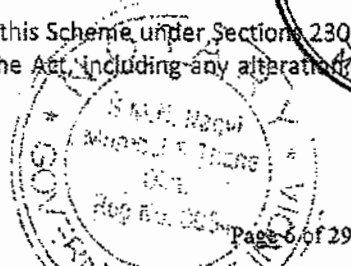


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modification, amendment made thereto and supplementary orders/directions in relation thereto;

"PAN" means Permanent Account Number issued by the income tax department.

"Record Date" means such date as may be fixed by the Board of Directors of Resulting Company in consultation with the Board of Directors of Demerged Company for the purpose of determining the members of the Demerged Company to whom equity shares of the Resulting Company will be allotted pursuant to this Scheme;

"Registrar of Companies" or "RoC" means the Registrar of Companies at Mumbai, Maharashtra;

"Remaining Business" means all the undertakings, businesses, activities and operations including assets and Liabilities of the Demerged Company other than the Demerged Undertaking;

"Resulting Company" means Mukand Sumi Special Steel Limited, an unlisted public company limited by shares incorporated on 15th January, 2015, having its registered office at Thane – Belapur Road, Kalwa, Thane – 400 605; and

"Scheme", "the Scheme" or "this Scheme" means this Scheme of Arrangement, pursuant to Sections 230 to 232 read with Section 52 and all other applicable provisions of the Act in its present form, with such modifications and amendments as may be made from time to time as per Clause 24, submitted to the NCLT or any other Appropriate Authority, as may be relevant, with any modification(s) thereto as the Board or NCLT or any other Appropriate Authority may require, direct or approve;

1.2 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, as applicable, the Income Tax Act, and other Applicable Law, rules, directions, guidelines, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

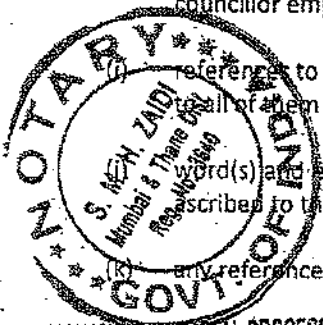
1.3 In this Scheme, unless the context otherwise requires:

- (a) words denoting singular shall include plural and vice versa;
- (b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (c) references to the word "include" or "including" shall be construed without limitation;
- (d) a reference to an article, clause, section or paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme;
- (e) unless otherwise defined, the reference to the word "days" means calendar days;
- (f) references to dates and time shall be construed to be references to Indian dates and time;
- (g) reference to a document includes a reference to that document as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of that document;
- (h) references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works councillor employee representatives body (whether or not having separate legal personality);

any reference to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally;

any word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and

any reference to any statute or statutory provision shall include:

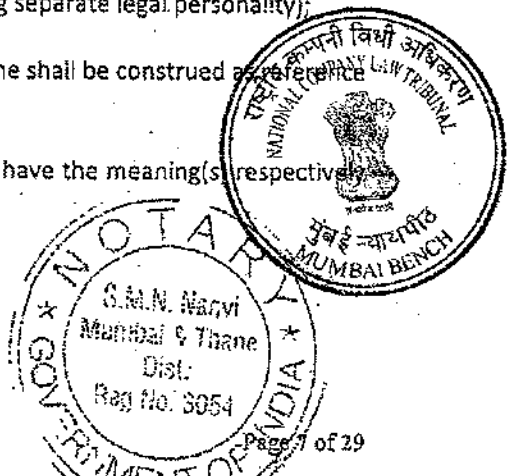


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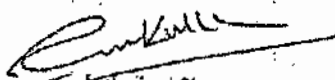
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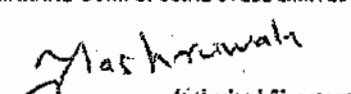
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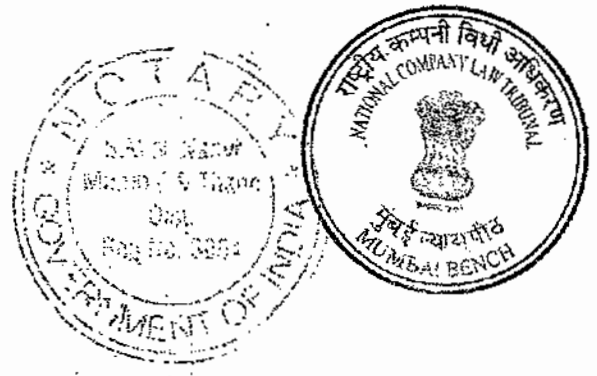
- i. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
- ii. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

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PART II - SHARE CAPITAL**2. SHARE CAPITAL****2.1 Mukand Sumi Metal Processing Limited**

The capital structure of the Demerged Company, as on 31st March, 2020 is as under:

| A. Authorised Share Capital | Amount in INR |
|--|---------------------|
| 3,00,00,000 Equity shares of INR 10 each | 30,00,00,000 |
| Total | 30,00,00,000 |

| B. Issued, Subscribed and Paid Up Share Capital | Amount in INR |
|---|---------------------|
| 2,73,00,000 Equity shares of INR 10 each | 27,30,00,000 |
| Total | 27,30,00,000 |

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Demerged Company. The entire paid up equity share capital of the Demerged Company is held by Mukand Limited & Sumitomo Corporation (Japan).

2.2 Mukand Sumi Special Steel Limited

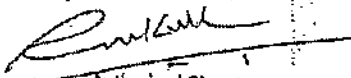
The capital structure of the Resulting Company, as on 31st March, 2020 is as under:

| A. Authorised Share Capital | Amount in INR |
|--|---------------------|
| 4,40,00,000 Equity Shares of INR 10 each | 44,00,00,000 |
| 10,00,000 Preference Shares of INR 10 each | 1,00,00,000 |
| Total | 45,00,00,000 |

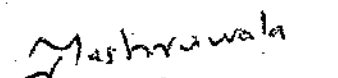
| B. Issued, Subscribed and Fully Paid Up Share Capital | Amount in INR |
|---|---------------------|
| 4,15,85,743 Equity Shares of INR 10 each | 41,58,57,430 |
| 100 Series A Optionally Convertible Redeemable Preference Shares (OCRPS) of INR 10 each | 1,000 |
| Total | 41,58,58,430 |

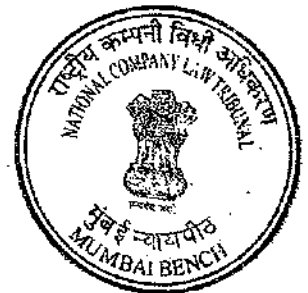
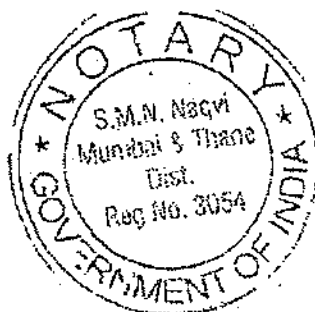
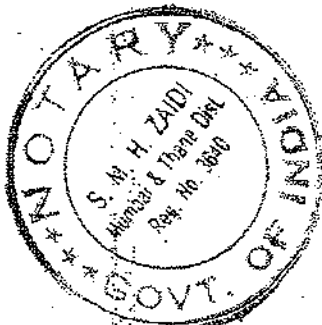
Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Resulting Company. The entire paid up equity share capital of the Resulting Company is held by Mukand Limited & Sumitomo Corporation (Japan).

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PART III - DEMERGER OF DEMERGED UNDERTAKING IN THE RESULTING COMPANY

3. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

Upon the Scheme becoming effective, pursuant to the NCLT Sanction Order confirming the Scheme and pursuant to the provisions of Sections 230-232 read with Section 52 and other applicable provisions of the Act, with effect from the Appointed Date, the Demerged Undertaking together with all its business and operations including all its assets and Liabilities shall be transferred to and vest in and/or be deemed to have been transferred to and vested in Resulting Company, as a going concern on "as-is-where-is" basis, by way of Demerger in accordance with Section 2(19AA) of the Income Tax Act without any further act, instrument or deed, so as to become, as and from the Appointed Date, the undertaking of Resulting Company by virtue of and in the manner provided in this Scheme.

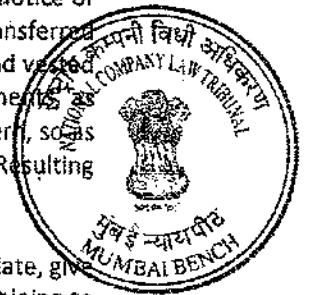
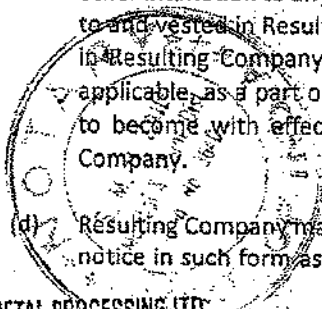
4. Without prejudice to the generality of the aforesaid, upon the Scheme coming into effect, under the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Act and all other provisions of Applicable Law, if any, with effect from the Appointed Date, the entire Demerged Undertaking together with all its business and operations including all its assets and Liabilities, shall be transferred by Demerged Company to Resulting Company by way of Demerger as a going concern "on as-is-where-is" basis and in the following manner:

(a) all the estate, assets (including intangible assets in the books), properties, rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts, comprised in the Demerged Undertaking of whatsoever nature and where-so-ever situated shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in Resulting Company and/or be deemed to be transferred to and vested in Resulting Company as a part of the transfer and vesting of the Demerged Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, rights, claims, title, interest and authorities including accretions and appurtenances of Resulting Company.

(b) Such assets and properties of the Demerged Undertaking as are movable in nature or are incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, without any cost or charge and without any notice or other intimation to any third party for transfer of the same, will be and shall stand transferred to and vested in the Resulting Company and/or be deemed to stand transferred to the Resulting Company as a part of the transfer and vesting of the Demerged Undertaking as a going concern so as to become with effect from the Appointed Date, the assets and properties of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(c) all other movable properties of Demerged Undertaking, inventories, stock-in-trade or stock-in-transit and merchandising including raw materials, supplies, finished goods, wrapping supply and packaging items, sundry debtors, receivables, bills, credits, loans and advances and actionable claims, apart from those specified in Clause 4(b) if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi Government, local or other authority or body or with any company or other person shall without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and shall stand transferred to and vested in Resulting Company and/or deemed to have been transferred to and vested in Resulting Company, by way of delivery of possession of the respective documents, if applicable, as a part of the transfer of the Demerged Undertaking as a going concern, so as to become with effect from the Appointed Date, the assets and properties of Resulting Company.

(d) Resulting Company may itself or require Demerged Company if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor pertaining to

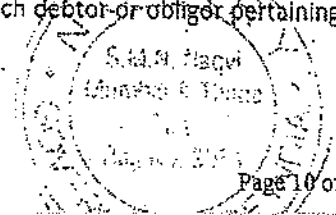


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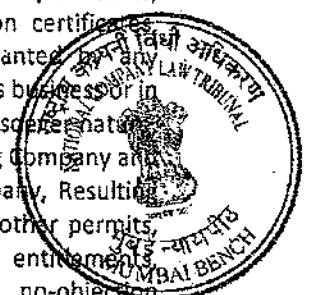
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the Demerged Undertaking, that pursuant to the sanction of this Scheme by the Appropriate Authority, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company pertaining to the Demerged Undertaking, to recover or realize all such debts stands transferred and assigned to the Resulting Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change.

(e) all cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of Demerged Company (in relation to Demerged Undertaking) after the Effective Date shall be accepted by the bankers of Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company or received through electronic transfers. Similarly, the banker of Resulting Company shall honour all cheques/electronic fund transfer instructions issued by Demerged Company (in relation to Demerged Undertaking) for payment after the Effective Date. If required, the bankers of Demerged Company and Resulting Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Demerged Company by Resulting Company in relation to the Demerged Undertaking for such time as may be determined to be necessary by Resulting Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of Demerged Company.

(f) all immovable properties pertaining to the Demerged Undertaking and rights and interests in such immovable properties of Demerged Company including any tenancies in relation to warehouses, office space, guest houses and residential premises including those provided to/occupied by the employees of Demerged Undertaking and all documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall upon this Scheme becoming effective, stand transferred to and be vested in and be deemed to have been transferred to and vested with effect from the Appointed Date in Resulting Company, without any further act or deed done/executed or being required to be done/executed by Demerged Company or Resulting Company or both. Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of Resulting Company by the Appropriate Authorities pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof.

(g) all approvals, consents, sanctions, exemptions, registrations, guarantees, permissions, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Demerged Undertaking, or to the benefit of which the Demerged Undertaking may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law pursuant to the vesting orders of the NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be approvals, consents, sanctions, exemptions, registrations, guarantees, permissions, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of Resulting Company, and shall be in full force and effect in favor of Resulting Company as if it may be enforced as fully and effectually as if, instead of Demerged Company, Resulting Company had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, sanctions, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, rebates, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, as are held at present by Demerged Company, but relate to or benefitting at present Remaining Business of the Demerged Company and the Demerged Undertaking, shall be deemed to constitute

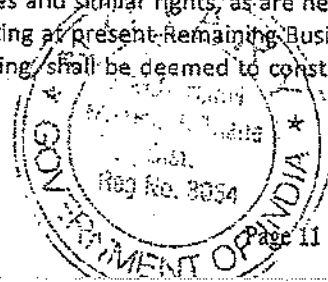


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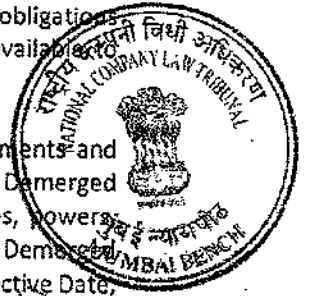
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separate permits, licenses, consents, sanctions, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, rebates, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of Demerged Company and Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by the NCLT. It is hereby clarified that if the consent of any third party or Appropriate Authority is required to give effect to the provisions of this clause, the said third party or Appropriate Authority shall take on record the NCLT Sanction Order sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of Resulting Company as successor in interest, pursuant to the sanction of this Scheme by the NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, Resulting Company shall file certified copies of NCLT Sanction Order, and if required file appropriate applications, forms or documents with Appropriate Authority concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, sanctions, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

(h) all rent/lease agreements pertaining to the Demerged Undertaking with various landlords, owners and lessors in connection with the use of the assets pertaining to Demerged Undertaking, together with security deposits and advance/prepaid rent, etc., shall stand automatically transferred and vested in favour of Resulting Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. Resulting Company shall continue to pay rent as provided for in such agreements, and Resulting Company and the concerned landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, Resulting Company shall also be entitled to refund of security deposits paid under such agreements by Demerged Company pertaining to Demerged Undertaking.

(i) all subsidies, privileges, income tax benefits and exemptions, all tax holidays, rebates, indirect tax benefits and exemptions (including benefits, entitlements, incentives and concessions under incentive schemes and policies, customs, excise, service tax, VAT, sales tax, goods and services tax, as applicable and entry tax), in connection with or relating to the Demerged Undertaking and all rights and benefits that have accrued or which may accrue pertaining to the Demerged Undertaking, whether on, before or after the Appointed Date, if any, shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern, so as to become, as and from the Appointed Date, the subsidies, privileges, income tax benefits, tax holidays and exemptions, indirect tax benefits and exemptions (including benefits, entitlements, incentives and concessions under incentive schemes and policies, customs, excise, service tax, VAT, sales tax, goods and services tax, as applicable and entry tax), other rights, benefits and liabilities related thereto, of Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of Resulting Company, and Resulting Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to Resulting Company.

contracts, deeds, bonds, agreements, insurance policies, schemes, arrangements and other instruments for the purpose of carrying on the business pertaining to the Demerged Undertaking and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of Resulting Company and may be enforced as fully and effectually as if Resulting Company had been a party or beneficiary or

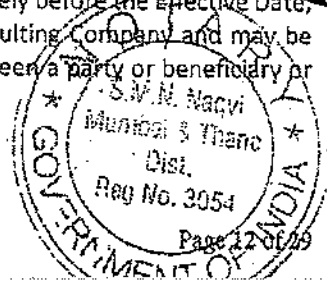


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obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by Demerged Company (and not by any of its successors), shall be fulfilled by Resulting Company as if it is the duly constituted attorney of Demerged Company. It is hereby clarified that if any contract, deeds, bonds, agreements, insurance policies, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking to which Demerged Company is a party to, cannot be transferred to Resulting Company for any reason whatsoever, Demerged Company shall hold such contract, deeds, bonds, agreements, insurance policies, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Resulting Company in so far as it is permissible so to do till such time as the transfer is effected; and if any contract, deeds, bonds, agreements, insurance policies, schemes, arrangements or other instruments of whatsoever nature relate to the Demerged Undertaking of Demerged Company as well as Demerged Company (in relation to Remaining Business), Demerged Company and Resulting Company shall both be entitled to all rights and benefits and be liable for all obligations under the said arrangements, each to the extent of its respective undertaking only.

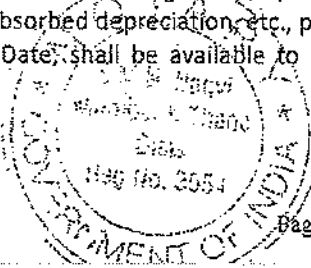
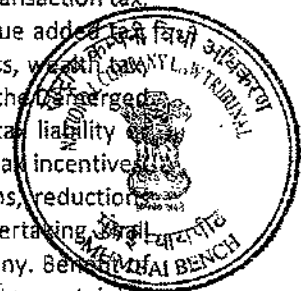
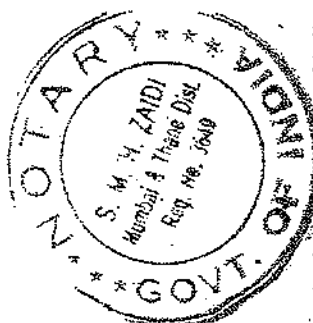
(k) Any inter-se contracts in relation to the Demerged Undertaking and Resulting Company shall stand cancelled and cease to operate upon this Scheme becoming effective.

(l) All guarantees provided by any bank in relation to the Demerged Undertaking, outstanding as on the Effective Date, shall vest in Resulting Company and shall enure to the benefit of Resulting Company and all guarantees issued by the bankers in relation to the Demerged Undertaking favouring any third party shall be deemed to have been issued at the request of Resulting Company and continue in favour of such third party till its maturity or earlier termination.

(m) without prejudice to the generality of the foregoing, bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Demerged Undertaking and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon the Scheme becoming effective, by operation of law pursuant to the vesting orders of the NCLT, be deemed to be bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements of Resulting Company. Such property and rights shall stand vested in Resulting Company and shall be deemed to have become the property of Resulting Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.

(n) all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets, including registrations, licenses, trademarks, logos, service marks, copyrights, industrial designs, patents, domain names, brand names, trade names and applications relating thereto, goodwill, know-how and trade secrets appertaining to the Demerged Undertaking, shall without any further act, instrument or deed, and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern, so as to become as and from the Appointed Date, the intellectual property of Resulting Company.

(o) all taxes (including but not limited to banking cash transaction tax, securities transaction tax, input credit, CENVAT, entry tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax or goods and services tax, as applicable; excise duty, cess, wealth tax, fringe benefit tax, etc.) payable by or refundable to or being the entitlement of the Demerged Undertaking, including all or any refunds or claims shall be treated as the tax liability of Resulting Company, and any tax incentives, refunds/credits/claims, as the case may be, of Resulting Company, and any tax incentives, advantages, privileges, exemptions, rebates, credits, tax holidays, remissions, reductions and/or any other benefit, as would have been available to the Demerged Undertaking, shall, pursuant to the Scheme becoming effective, be available to Resulting Company. Benefits and tax losses including brought forward business loss, unabsorbed depreciation, etc., pertaining to the Demerged Undertaking up to the Appointed Date, shall be available to Resulting



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Company with effect from Appointed Date in terms of Section 72A of Income Tax Act.

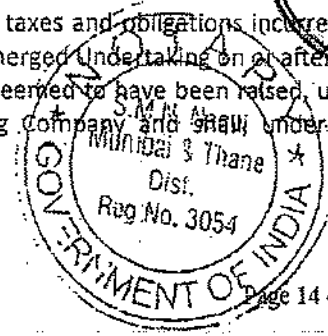
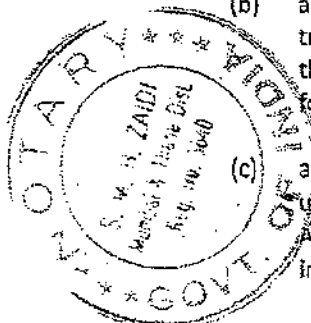
- (p) Resulting Company shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Demerged Undertaking under Applicable Law, including but not limited to sales tax, goods and services tax, as applicable, value added tax, service tax, excise duty, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, input tax credits already availed of or utilized by the Demerged Undertaking and Resulting Company in respect of inter se transactions, if any shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- (q) All statutory rights and obligations pertaining to Demerged Undertaking would vest in/accrue to Resulting Company. Hence, obligation pertaining to Demerged Undertaking, prior to the Effective Date, to issue or receive any statutory declaration or in any other forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or the Central Goods & Services Tax Act or the State Goods & Services Tax Acts or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Demerged Company and if any form relating to the period prior to the said Effective Date is received in the name of Demerged Company, it would be deemed to have been received by Resulting Company in fulfillment of their obligations.
- (r) benefits of any and all corporate approvals as may have already been taken pertaining to the Demerged Undertaking, whether being in the nature of compliances or otherwise, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by Resulting Company.
- (s) All necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the Demerged Undertaking shall be transferred to the Resulting Company;

5. Without prejudice to the generality of Clause 3 above:

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts and Liabilities of the Demerged Company, whether or not provided in the books of the Demerged Company, pertaining to Demerged Undertaking shall, pursuant to the applicable provisions of the Act and the provisions of this Scheme and, without any further act or deed, become the debts and Liabilities of the Resulting Company, and the Resulting Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. The amounts of general or multipurpose borrowings, if any, of the Demerged Company will be apportioned on the basis of the proportion of the value of the assets transferred in Demerger of Demerged Undertaking to the total value of the assets of the Demerged Company immediately before the Demerger.

- (b) any Liabilities of the Demerged Undertaking as on the Appointed Date, deemed transferred to the Resulting Company, that are discharged by Demerged Company after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of Resulting Company.

- (c) all loans raised and utilized, other Liabilities, duties and taxes and obligations incurred or undertaken by Demerged Company pertaining to the Demerged Undertaking on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Resulting Company and shall, under the



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provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Act and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern and the same shall be assumed by Resulting Company and to the extent they are outstanding on the Effective Date, Resulting Company shall meet, discharge and satisfy the same.

- (d) the Liabilities, inter se between Demerged Company and Resulting Company, if any, due or which may at any time in the future immediately before Effective Date, become due in relation to the Demerged Undertaking, shall stand discharged/cancelled/ deemed to be discharged by such cancellation and there shall be no liability in that behalf on either Company and corresponding effect shall be given in the books of account and records of Resulting Company.

It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, Liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

- (e) The Demerger and the transfer and vesting of the assets shall be subject to the Encumbrances, if any affecting the same as hereinafter provided:

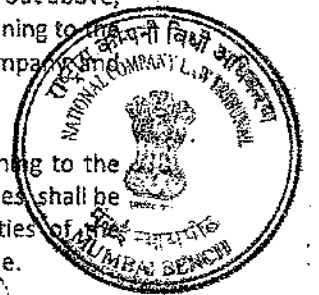
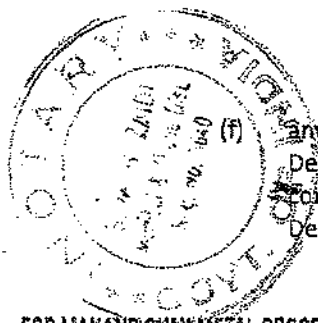
- (i) The Encumbrances or those, if any, in terms of this Scheme, over the assets comprised in Demerged Undertaking, or any part thereof transferred to the Resulting Company, shall after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached to, prior to the Effective Date and such Encumbrances shall not relate to or attach to any of the other assets of Resulting Company.

- (ii) In so far as any Encumbrances over the assets comprised in the Demerged Undertaking, are security for Liabilities of the Remaining Business of Demerged Company, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets of the Demerged Undertaking, shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

- (iii) In so far as any Encumbrances over the assets comprised in the Remaining Business of Demerged Company are security for the related Liabilities of Demerged Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets transferred to the Resulting Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

- (iv) Provided that in case any question arises pertaining to the mechanism as set out above, the same shall be decided by mutual agreement between the lenders pertaining to the Demerged Undertaking, lender of Resulting Company and Demerged Company and Resulting Company, as the case may be.

Any reference in any security documents or arrangements (to any party pertaining to the Demerged Undertaking) to the Demerged Company and their assets and properties shall be construed as a reference to Resulting Company and the assets and properties of the Demerged Undertaking transferred to Resulting Company pursuant to this Scheme.



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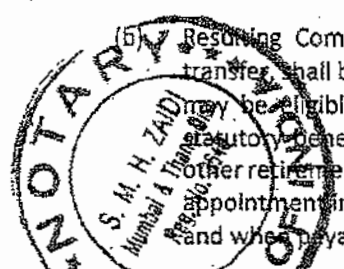
- (g) without prejudice to the foregoing provisions, upon the Scheme becoming effective, Resulting Company/ Demerged Company may execute any instruments or documents or do all such acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required. The Resulting Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of Demerged Company inter alia in its capacity as the successor-in-interest of the Demerged Company in relation to the Demerged Undertaking.
- (h) the provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

6. It is clarified that if any assets (claims, rights, title, interest in, or authorities relating to such assets) or Liabilities or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to Demerged Undertaking which Demerged Company owns or to which Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, Demerged Company shall hold such assets or contract, deeds, bonds, Liabilities, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the Resulting Company to which the Demerged Undertaking is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

7. It is expressly clarified that in case any question that may arise as to whether any particular asset or Liability pertains or does not pertain to the Demerged Undertaking of the Demerged Company, or whether it arises out of the activities or operations of the Demerged Undertaking, the same shall be decided by mutual agreement between Board of Directors of the Demerged Company and that of Resulting Company. It is hereby clarified that the rest of the assets and Liabilities (other than those forming part of the Demerged Undertaking or otherwise specified in this Scheme) of Demerged Company shall continue in Demerged Company.

8. EMPLOYEES

(a) Upon the coming into effect of this Scheme, all employees pertaining to Demerged Undertaking and those employees as the Board of Demerged Company may determine, shall become employees of Resulting Company ("Transferred Employees") with effect from the Effective Date, on same terms and conditions which, as a result, shall be no less favourable than those on which they are engaged as on the Effective Date, without any interruption of service as a result of this Demerger and without any further act, deed or instrument on the part of Demerged Company or the Resulting Company. With regard to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of the Transferred Employees, upon the Scheme becoming effective, shall be continued on the same terms and conditions by Resulting Company and Resulting Company shall stand substituted for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the Transferred Employees and the services of all the Transferred Employees for such purpose shall be treated as having been continuous.



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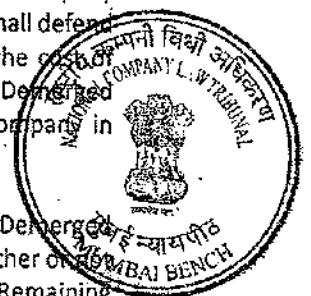
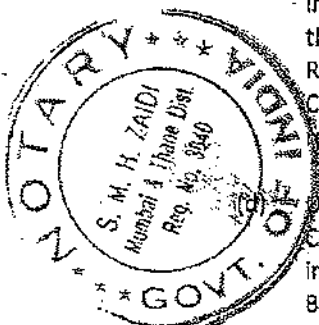
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- (c) The existing gratuity fund, annuity, staff welfare scheme and any other special scheme or benefits of the Transferred Employees shall be continued on the same terms and conditions or be transferred to the existing gratuity fund, annuity, staff welfare scheme, etc., being maintained by Resulting Company or as may be created by Resulting Company for such purpose. Pending such transfer, the contributions required to be made in respect of the Transferred Employees shall continue to be made by Resulting Company to the existing funds maintained by Demerged Company. It is the intent that all the rights, duties, powers and obligations of Demerged Company in relation to such fund or funds shall become those of Resulting Company without need of any fresh approval from any Appropriate Authority.
- (d) Upon the Scheme becoming effective, Demerged Company will transfer/handover to Resulting Company, copies of employment information of all such Transferred Employees of Demerged Company, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its Transferred Employees and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- (e) The contributions made under Applicable Law in connection with the Transferred Employees, to the gratuity fund, leave encashment and any other special scheme or benefits created, for the period after the Appointed Date shall be deemed to be contributions made by Resulting Company.
- (f) Resulting Company shall continue to abide by any agreement(s)/ settlement(s) entered into in respect to the Transferred Employees.

9. LEGAL PROCEEDINGS

- (a) All Legal Proceedings of whatsoever nature (legal, taxation and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against, pertaining to the Demerged Undertaking, shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or anything contained in this Scheme.
- (b) Upon the coming into effect of this Scheme, all Legal Proceedings whether by or against Demerged Company, pertaining to the Demerged Undertaking, whether pending and/or arising on or before the Appointed Date, or which may be instituted any time thereafter, shall be continued and/or enforced by or against Resulting Company after the Effective Date, to the extent legally permissible, as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against Resulting Company. To the extent the Legal Proceedings cannot be taken over by the Resulting Company, the Legal Proceedings shall be pursued by or against the Demerged Company as per the instructions of and entirely at the costs and expenses of the Resulting Company, to the extent legally permissible.
- (c) After the Appointed Date, if any Legal Proceedings are initiated against Demerged Company in respect of the matters referred to in the Clause (b) above, Demerged Company shall defend the same in accordance with advice and instructions of Resulting Company at the cost of Resulting Company, and Resulting Company shall reimburse and indemnify Demerged Company against all losses, liabilities and obligations incurred by Demerged Company in respect thereof.

Upon the coming into effect of this Scheme, any Legal Proceedings by or against Demerged Company under any statute, whether or not pending on the Appointed Date, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of Demerged Company (including those relating to any property, right, power,

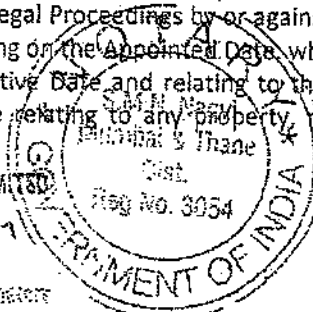


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Liability, obligation or duties of Demerged Company in respect of the Remaining Business of Demerged Company) shall be continued and enforced by or against Demerged Company. The Resulting Company shall in no event be responsible or liable for or in relation to any such Legal Proceeding by or against Demerged Company.

- (e) Resulting Company undertakes to have accepted on behalf of itself, all suits, claims, actions and Legal Proceedings initiated pertaining to the Demerged Undertaking, transferred to its name and to have the same continued, prosecuted and enforced by or against Resulting Company.

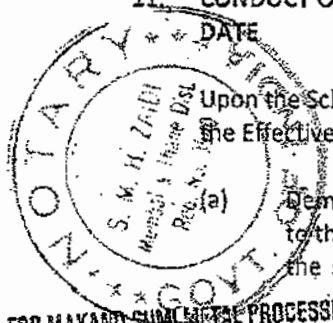
10. TREATMENT OF TAXES

- (a) All taxes (including income tax, minimum alternate tax, sales tax, service tax, goods and service tax, etc.) paid or payable by Demerged Company, in respect of the operations and / or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of Demerged Company, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and service tax etc.), whether by way of deduction or collection at source, advance tax or otherwise howsoever, by 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
- (b) Without prejudice to the generality of the foregoing, on and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the Demerged Undertaking is received in the name of Demerged Company, or tax credit relating to the Demerged Undertaking is appearing in Form 26AS of the Demerged Company, it shall be deemed to have been received by and in the name of the Resulting Company which alone shall be entitled to claim credit for such tax deducted or paid.
- (c) Upon the coming into effect of this Scheme, Demerged Company and the Resulting Company are expressly permitted to file/revise their respective tax returns/computation of total income after giving effect to Demerger electronically and if the electronic filing is not enabled in the official website of the income tax department, it can be filed manually before the income tax authorities holding jurisdiction over the Demerged Company and the Resulting Company even if the time limit prescribed for filing revised return of income under section 139(5) of the Income Tax Act, 1961 has lapsed and/or assessment proceedings has been completed and no further approval for filing revised return / revised computation of total income after giving effect of Demerger shall be required from CBDT or any other Appropriate Authority and also revise related withholding tax certificates, including withholding tax certificates relating to transactions between Demerged Company and the Resulting Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or tax related deductions, or any other tax related compliances or filings of forms.
- (d) The goods and services tax paid by Demerged Company in respect of goods and services provided by the Demerged Undertaking for the period commencing from the Appointed Date shall be deemed to be goods and services tax paid by the Resulting Company, and credit for such goods and services tax shall be allowed to the Resulting Company notwithstanding that challans for goods and services tax payments are in the name of Demerged Company and not in the name of the Resulting Company.

11. CONDUCT OF BUSINESS OF DEMERGED UNDERTAKING OF DEMERGED COMPANY TILL EFFECTIVE DATE

Upon the Scheme becoming effective, with effect from the Appointed Date as applicable and up to the Effective Date:

- (a) Demerged Company shall be deemed to have carried on all its business activities pertaining to the Demerged Undertaking and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions,



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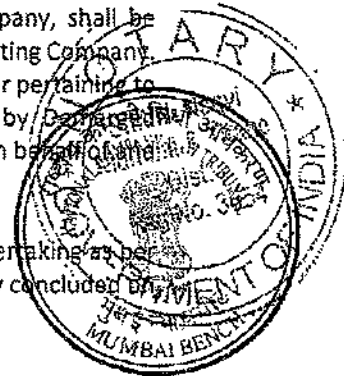
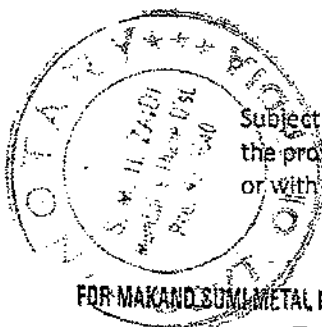


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benefits relating to the Demerged Undertaking for and on account of and in trust for Resulting Company;

- (b) all profits and income accruing or arising to Demerged Company in relation to the Demerged Undertaking, and losses and expenditure arising or incurred by Demerged Company in relation to the Demerged Undertaking, for the period commencing from the Appointed Date as applicable, shall, for all purposes be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of Resulting Company and upon the Scheme becoming effective, financial results of Resulting Company & revised tax calculation thereon shall be computed after considering the financial results of Demerged Undertaking during the period between Appointed Date and Effective Date;
- (c) All assets acquired by Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking or pertaining to the Demerged Undertaking shall be deemed to have been acquired in trust for and on behalf of the Resulting Company, and shall also stand transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.
- (d) Where any of the Liabilities and obligations of Demerged Company, pertaining to Demerged Undertaking, as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by Demerged Company 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, and all loans raised and used and all Liabilities and obligations incurred by Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and 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 be and stand transferred to the Resulting Company and shall become the Liabilities and obligations of the Resulting Company, which shall be liable to meet, discharge and satisfy the same.
- (e) all intra-party transactions of Demerged Company, if any, pertaining to Demerged Undertaking and Remaining Business shall be considered as inter-party transactions. Tax, if any, on such inter-party transactions shall be payable without any interest and penalty subject to Applicable Law.
- (f) All taxes, where applicable, (including but not limited to tax deducted at source, banking cash transaction tax, tax collected at source, taxes withheld/paid in a foreign country, customs duty, goods and services tax, as applicable, cess, tax refunds) payable by or refundable to Demerged Company pertaining to the Demerged Undertaking including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of Demerged Company) as the case may be, of Resulting Company, and any unabsorbed tax losses and depreciation as would have been available to Demerged Company shall be available to Resulting Company upon the Scheme becoming effective.
- (g) Any of the rights, powers, authorities and privileges attached or related or pertaining to the Demerged Undertaking and exercised by or available to Demerged Company, shall be deemed to have been exercised for and on behalf of and as an agent for Resulting Company. Further, any of the obligations, duties and commitments attached, relating or pertaining to the Demerged Undertaking that have been undertaken or discharged by Demerged Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for Resulting Company.

Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded or with effect from the Appointed Date as applicable till the Effective Date.



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12. TRANSACTIONS UPTO THE EFFECTIVE DATE

12.1. With effect from the Appointed Date and up to and including the Effective Date:

- (i) Demerged Company shall not without the prior written consent of the Board of Directors of Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the ordinary course of its business.
- (ii) Demerged Company shall not vary the terms and conditions of service of its permanent employees relating to the Demerged Undertaking except in the ordinary course of its business or as per past prevailing practices.
- (iii) Resulting Company shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which Resulting Company may require to carry on the business of Demerged Undertaking. Further, Demerged Company shall extend all assistance to Resulting Company, if requested by Resulting Company, in obtaining the said consents, approvals and sanctions.
- (iv) With effect from Appointed Date until the Effective Date, Demerged Company shall preserve and carry on the business and activities of Demerged Undertaking with reasonable diligence and business prudence.

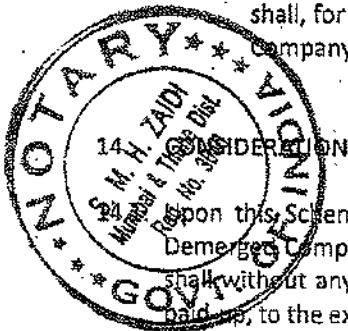
13. REMAINING BUSINESS OF DEMERGED COMPANY

13.1. All the assets, properties, rights, Liabilities and obligations together with the business and operations, pertaining to the Remaining Business of the Demerged Company, shall continue to belong to and remain vested in and be managed by Demerged Company & the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business of the Demerged Company.

13.2. All proceedings of whatsoever nature (legal, taxation and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) whether civil or criminal (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, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power Liability, obligation or duty, in respect of the Remaining Business of Demerged Company) shall be continued and enforced solely by or against the Demerged Company.

13.3. With effect from the Appointed Date, as applicable, and upto the Effective Date;

- (i) Demerged Company shall carry on all business and activities relating to the Remaining Business of Demerged Company for and on its own behalf; and
- (ii) All profits accruing to Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business of Demerged Company shall, for all purposes, be treated as the profits or losses, as the case may be, of Demerged Company.



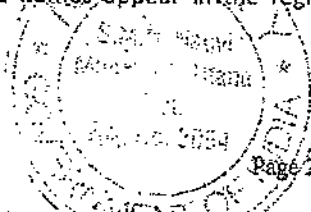
Upon this Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company in terms of this Scheme, the Resulting Company shall, without any further act, application or deed, issue and allot equity shares, credited as fully paid-up, to the extent indicated below, to the shareholders of the Demerged Company, holding fully paid-up equity shares in the Demerged Company and whose names appear in the register.

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members of the Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognised by the Board of Directors of the Resulting Company in the following manner:

53 fully paid up equity shares of INR 10 each of the Resulting Company shall be issued and allotted for every 287 fully paid up equity shares of INR 10 each held in the Demerged Company ("Share Exchange Ratio").

- 14.2. The Share Exchange Ratio mentioned above has been arrived at based on the valuation report dated 12th February, 2020 prepared by a Registered Valuer, and approved by the Board of Directors of Demerged Company and Resulting Company.
- 14.3. The shares to be issued by the Resulting Company pursuant to Clause 14.1 above shall be issued in dematerialised form by the Resulting Company, unless otherwise requested in writing by the shareholders of the Demerged Company.
- 14.4. The Resulting Company shall, if necessary and to the extent required, increase and/ or reclassify its Authorised Share Capital to facilitate issue of equity shares under this Scheme.
- 14.5. The equity shares to be issued by the Resulting Company to the equity shareholders of Demerged Company shall rank *pari passu* with the existing shares comprised in the share capital of the Resulting Company and shall be subject to the Scheme and the Memorandum and Articles of Association of the Resulting Company.
- 14.6. Equity shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of Demerged Company which are held in abeyance under the Act or otherwise shall, pending allotment or settlement of dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of Directors of Demerged Company (or any successor thereof) shall be empowered to take such actions as may be necessary in order to remove any difficulties arising with the transfer of the share in Demerged Company and in relation to the equity shares issued by the Resulting Company pursuant to the Scheme.
- 14.7. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be in due compliance of Section 62 of the Act and all applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the shareholders of Demerged Company, as provided in this Scheme.
- 14.8. The Board of Directors of Resulting Company and Demerged Company shall, if and to the extent required, apply for and obtain any approvals from any Appropriate Authority for the issue and allotment of the equity shares pursuant to this Scheme.
- 14.9. In the event that the Companies restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 14.10. No fractional shares shall be issued by the Resulting Company. In case any shareholder's shareholding in Demerged Company is such that such shareholder becomes entitled to a fraction of an equity share of Resulting Company, the Resulting Company shall not issue fractional shares. In such cases, any fraction shall be rounded off to the next higher integer.

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NOTARY
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 Mumbai & Thane Dist.
 Reg. No. 3054
 GOVERNMENT OF INDIA
 NATIONAL COMPANY LAW TRIBUNAL
 MUMBAI BENCH

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15. AUTHORISED SHARE CAPITAL OF RESULTING COMPANY

- 15.1. As an integral part of the Scheme, and upon the coming into effect of this Scheme, the authorised share capital of Resulting Company pertaining to preference shares to the extent of 9,00,000 preference shares of INR 10/- each shall stand reclassified into 9,00,000 equity shares of INR 10/- each, without any further act or deed, except as provided in Clause 15.5 hereinafter, and without any further payment of stamp duty or registration fees.
- 15.2. Thereafter, in order to suffice for the purpose of issuance of necessary equity shares by the Resulting Company to the shareholders of Demerged Company, as specified in Clause 14.1 above, it is proposed that the authorised equity share capital of the Resulting Company be further increased by Rs. 1,85,00,000 (Rs. One crore Eighty Five Lacs only), i.e., to an aggregate of Rs. 46,85,00,000 (Rs. Forty Six crores Eighty Five Lakhs only), divided into 4,67,50,000 (Four Crores Sixty Seven Lacs Fifty thousand only) equity shares of Rs. 10 each and 1,00,000 (One lac only) preference shares of Rs. 10 each upon payment of the applicable registration fees and stamp duty and filing of requisite forms with Registrar of Companies, in accordance with Section 64 of the Act.
- 15.3. Consequently, Clause V of the Memorandum of Association of Resulting Company shall without any act, instrument or deed be and stand altered, modified and substituted pursuant to Sections 13, 61 and 230 to 232 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

"The authorised share capital of the Company is Rs. 46,85,00,000/- (Rupees Forty Six Crores Eighty Five Lacs Only) comprising of 4,67,50,000 (Four Crores Sixty Seven Lacs Fifty thousand) equity Shares of Rs. 10/- (Rupees Ten Only) each and 1,00,000 (One Lakh) Preference Shares of Rs. 10/- (Rupees Ten Only) each with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company."

- 15.4. It is clarified that the approval of the shareholders of Resulting Company to the Scheme shall be deemed to be their consent/approval also to the consequential alteration of the Memorandum of Association of Resulting Company and Resulting Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the Memorandum of Association of Resulting Company as required under Section 13 and 61 of the Act.
- 15.5. Upon the coming into effect of this Scheme, Resulting Company shall file the requisite forms with the Registrar of Companies for reclassification of its authorised share capital and shall pay necessary fees as may be required to be paid in accordance with Applicable Laws.

16. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY AND DEMERGED COMPANY

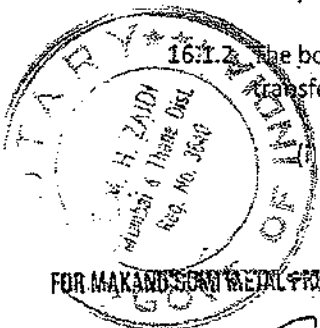
Pursuant to the Scheme coming into effect on the Effective Date, with effect from the Appointed Date, the Demerged Company and the Resulting Company shall account for the Demerger in their respective books of accounts in accordance with applicable IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, as under:

16.1. In the books of the Demerged Company:

16.1.1. The Demerged Company, as on the Appointed Date shall reduce from its books of accounts the carrying value of assets and Liabilities pertaining to the Demerged Undertaking.

16.1.2. The book values, as on the Appointed Date, of net assets comprised in the Demerged Undertaking transferred shall be accounted as follows:

In case the assets of the Demerged Undertaking transferred exceeds the Liabilities of the Demerged Undertaking, then such excess will be debited to the securities premium account in terms of Clause 19 of Part IV of the Scheme.

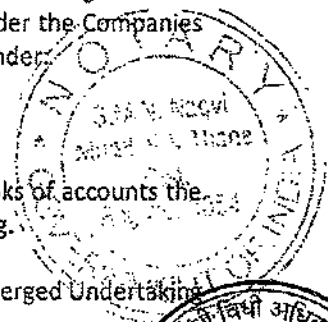


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(ii) In case the Liabilities of the Demerged Undertaking exceeds the assets of the Demerged Undertaking, then such excess will be credited to Capital Reserve account.

16.1.3. Inter-corporate investments, deposits, loans and advances, if any, between Demerged Company and Resulting Company relating to the Demerged Undertaking shall stand cancelled and there shall be no further obligation in this behalf.

16.1.4. Costs and expenses incurred by Demerged Company in connection with the Scheme and to put it into operation and any other expenses or charges incurred for implementing Demerger shall be charged to its Statement of profit and loss.

16.2. In the books of the Resulting Company:

16.2.1. Upon coming into effect of this Scheme, transfer of the Demerged Undertaking shall be accounted for in the books of the Resulting Company using the pooling of interests method in accordance with Appendix C of Ind AS 103 – Business Combinations of entities under common control.

16.2.2. Upon coming into effect of this Scheme, the Resulting Company shall record the assets and liabilities of the Demerged Undertaking vested in it pursuant to this Scheme, at their respective carrying values of the Demerged Company.

16.2.3. The Resulting Company shall credit to its Share Capital Account the aggregate of the face value of the equity shares issued on Demerger pursuant to Clause 14.1 of the Scheme and excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Account.

16.2.4. The excess, if any, between the carrying value of assets and Liabilities transferred to the Resulting Company and the consideration discharged by way of issuance of equity shares as per Clause 16.2.3. above, to the shareholders of the Demerged Company, upon Demerger of the Demerged Undertaking, shall be credited to capital reserve account in the books of the Resulting Company.

16.2.5. The deficit, if any, between the carrying value of assets and Liabilities transferred to the Resulting Company and the consideration discharged by way of issuance of equity shares as per Clause 16.2.3. above, to the shareholders of the Demerged Company, upon Demerger of the Demerged Undertaking, shall be debited to securities premium account in the books of the Resulting Company in terms of Clause 19 of Part IV of the Scheme.

16.2.6. To the extent that there are inter-company loans, advances, deposits or other obligations as between Demerged Undertaking and Resulting Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Resulting Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, advances, deposits or balances, with effect from the Appointed Date.

16.2.7. Costs and expenses (including stamp duty) incurred by the Resulting Company in connection with the Scheme and to put it into operation and any other expenses or charges incurred for implementing Demerger shall be charged to its Statement of profit and loss.

16.2.8. In case of any differences in accounting policies between Demerged Company and Resulting Company, impact of the same till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles, so as to ensure that the financial statements of Resulting Company reflect the financial position on the basis of consistent accounting policies.

16.2.9. The Board of Directors may review the above at any time and adopt any other accounting treatment which is in accordance with Indian Accounting Standards and generally accepted accounting principles as applicable.

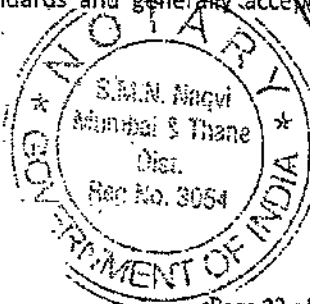
17. COMPLIANCE WITH SECTION 2(19AA) OF THE INCOME TAX ACT

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The provision of this Scheme as they relate to the Demerger complies with the conditions relating to "demerger" as defined and specified under section 2(19AA) of the Income Tax Act. If any terms or provisions or part of this Scheme are found or interpreted to be inconsistent with the provisions of section 2(19AA) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of section 2(19AA) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

18. DATE OF EFFECTIVENESS OF THE SCHEME

The Scheme shall come into effect from Effective Date.

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PART IV - GENERAL TERMS AND CONDITIONS

19. REDUCTION OF SECURITIES PREMIUM IN RESULTING COMPANY

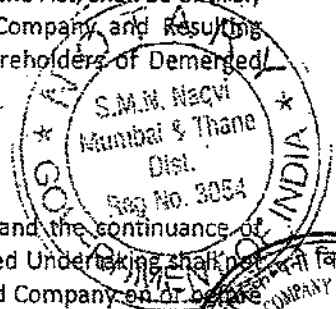
- 19.1. The reduction in the securities premium account of the Companies as mentioned in Clauses 16.1 and 16.2 above, shall be effected as an integral part of the Scheme in accordance with provisions of sections 230 to 232 read with section 52 and other applicable provisions of the Act without any further act or deed on part of the Companies and accordingly the NCLT Sanction Order shall also be deemed to be the order passed under section 66 and other relevant provisions of Act for the purpose of confirming such reduction of securities premium account. The reduction of securities premium account as aforesaid would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and as such the provisions of section 66 of the Act or the other relevant provisions of the Act will not be applicable. Notwithstanding the reduction in the securities premium of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.
- 19.2. The consent of shareholders of the Companies to the Scheme by way of special resolution and the consent of the secured and unsecured creditors of the Companies shall be deemed to be sufficient for the purpose of effecting reduction of securities premium account and no further resolution or action under any other provisions of the Act and rules and regulations framed thereunder would be required to be separately passed or taken.

20. DECLARATION OF DIVIDEND, BONUS ETC.

- 20.1. For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent Demerged Company from declaring and paying dividends, subject to Clause 20.4 hereinafter, whether interim or final to its equity shareholders as on the record date for the purpose of dividend in respect of the accounting period prior to the Effective Date.
- 20.2. For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent Demerged Company / Resulting Company from issuing fully paid up bonus equity shares to its shareholders in accordance with Applicable Law.
- 20.3. Until the coming into effect of this Scheme, the holders of equity shares of Demerged Company and equity shares of Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Associations including the rights to receive dividend.
- 20.4. Demerged Company shall not utilise the profits or income, if any, relating to the Demerged Undertaking for any purpose, which is not in the ordinary course of business, in respect of the period falling on and after the appointed date without the prior written consent of the Board of Directors of Resulting Company.
- 20.5. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, or issuance of fully paid bonus equity shares, are enabling provisions only and shall not be deemed to confer any right on any member of Demerged Company and/or Resulting Company to demand or claim any dividends/bonus which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of Demerged Company and Resulting Company and subject to the approval, wherever necessary, of the shareholders of Demerged Company and Resulting Company, respectively.

21. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Demerged Undertaking as per Scheme and the continuance of proceedings by or against Demerged Company in relation to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by the Demerged Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that Resulting Company accepts and adopts all acts, deeds and things done and executed by Demerged Company in respect thereof as acts, deeds and things done and executed on behalf of Resulting Company.



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Company itself.

22. CONDITIONS TO EFFECTIVENESS OF THE SCHEME

The Scheme is conditional upon and subject to:

- 22.1. This Scheme being approved by the respective requisite majorities in number and value of the various classes of shareholders and/or creditors, as applicable, of the Demerged Company and the Resulting Company as required under the Act and the requisite order of the NCLT, being obtained, or dispensation having been received from the NCLT in relation to convening meetings of shareholders and/or creditors;
- 22.2. The NCLT having accorded sanction to the Scheme in accordance with Section 230-232 read with Section 52 and other applicable provisions of the Act, and if any modifications have been prescribed the same being acceptable to the Demerged Company and the Resulting Company; and
- 22.3. Certified/authenticated copy of the NCLT Sanction Order being filed with the Registrar of Companies by the Demerged Company and the Resulting Company.

23. APPLICATIONS /PETITIONS TO THE NATIONAL COMPANY LAW TRIBUNAL AND APPROVALS

- 23.1. The Demerged Company and the Resulting Company shall make and file all notices and/or applications /petitions under Section 230 to 232 read with Section 52 and other applicable provisions of the Act, as may be necessary, before the NCLT, for sanction of this Scheme, and shall apply for such approvals/orders/directions as may be required under Applicable Law.
- 23.2. The Demerged Company and the Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which they may require for the transfer of the Demerged Undertaking.

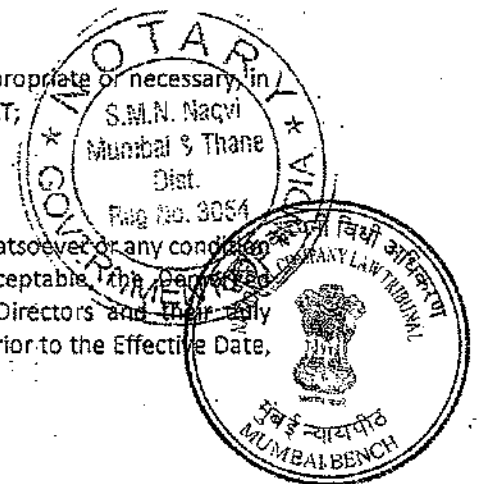
24. MODIFICATIONS TO THE SCHEME

The Demerged Company and the Resulting Company (by their respective Board of Directors and their duly authorised representatives), in their full and absolute discretion, jointly and as mutually agreed in writing, may:

- 24.1. Assent to any alteration(s) or modification(s) to this Scheme which the NCLT and/or any other Appropriate Authority may deem fit to approve or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors or their duly authorised representatives) and/or effect any other modification or amendment under Applicable Law jointly and mutually agreed in writing by the Board of Directors or their duly authorised representatives, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
- 24.2. Give such directions (acting jointly) 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 this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law);
- 24.3. Modify or vary this Scheme prior to the Effective Date, as considered appropriate or necessary, in any manner at any time and thereafter subject to the approval of the NCLT;

25. WITHDRAWAL OF THE SCHEME

- 25.1. If any clause of this Scheme is found to be unworkable for any reasons whatsoever or any condition or alteration imposed by any authority/person or otherwise is unacceptable, the Demerged Company and the Resulting Company (by their respective Board of Directors and their duly authorized representatives) shall be at liberty to withdraw this Scheme prior to the Effective Date, in any manner at any time;



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26. EFFECT OF NON-RECEIPT OF APPROVALS

In the event any of the said sanctions and approvals referred to in the preceding Clause 22 not being obtained and/or the Scheme not being sanctioned by the NCLT or any other Appropriate Authority and/or the order or orders not being passed or sanctions not being granted by NCLT as aforesaid by September 30, 2021 or by such later date as may be agreed by the respective Boards of Directors of the Companies, this Scheme shall stand revoked, cancelled and be of no effect, 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.

27. ADMINISTRATIVE CONVENIENCE

27.1. Notwithstanding anything contained in other clauses of this Scheme, Demerged Company and Resulting Company, shall enter into such documents, agreements, make applications to various authorities, regulatory bodies to facilitate the uninterrupted transitions of the Alloy Steel Business from Demerged Company to Resulting Company.

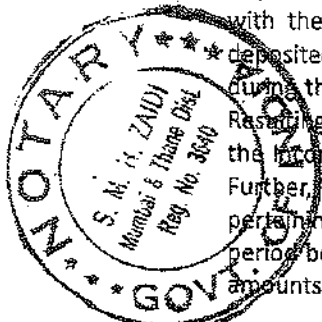
27.2. Notwithstanding anything contained in other clauses of this Scheme but in accordance with the Act and other Applicable Law, Demerged Company and Resulting Company, may enter into such documents, agreements, arrangements and make applications to various authorities, regulatory bodies to facilitate the sharing of, inter alia any common services, employees, intellectual properties and other assets (whether moveable or immoveable).

28. WHEN THE SCHEME COMES INTO OPERATION

The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date but shall be subject to the conditions set out in clause 22.

28.1. The Demerged Company and the Resulting Company shall be entitled to, amongst others, file/ revise their respective financial statements, income tax returns/computation of income, TDS returns, goods and services tax, service tax, professional tax or any other statutory returns, if required, credit for advance tax paid, tax deducted at source, claim for sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by the Resulting Company previously disallowed in the hands of the Demerged Company pertaining to the Demerged Undertaking under the Income Tax Act, credit of tax paid under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to Demerged Undertaking as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. The Resulting Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions entered into by Demerged Company, pertaining to Demerged Undertaking, by virtue of this Scheme with effect from Appointed Date. The taxes or duties paid by the Demerged Company, for, or on behalf of the Demerged Undertaking relating to the period on or after the Appointed Date respectively shall be deemed to be the taxes or duties paid by the Resulting Company and it shall be entitled to claim credit or refund for such taxes or duties.

28.2. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Demerged Undertaking, including any taxes paid and taxes deducted at source and deposited by Demerged Company pertaining to Demerged Undertaking on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by Resulting Company and shall be available to Resulting Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by Demerged Company pertaining to the Demerged Undertaking on transactions other than inter se transactions during the period between Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Resulting Company.

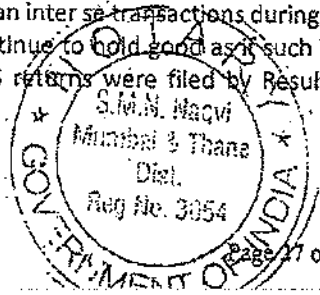


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Company: Any tax deducted / deposited by, or on behalf of, Demerged Company pertaining to the Demerged Undertaking on inter se transactions will be treated as tax deducted / deposited by, or on behalf of Resulting Company.

- 28.3. Transfer and vesting of Demerged Undertaking on a going concern basis in terms of the Scheme is not a sale in the course of business.
- 28.4. Upon the Scheme becoming effective, the Resulting Company shall carry on and shall be authorized to carry on the business of the Demerged Undertaking. For the purposes of giving effect to the NCLT Sanction Order, the Resulting Company shall at any time pursuant to such orders be entitled to get the recordal of the change in the legal right(s) upon the Demerger of the Demerged Undertaking in accordance with the provisions of Section 230 to 232 and other applicable provisions of the Act. The Resulting Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

29. SEVERABILITY

- 29.1. If any provision or 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 provisions and parts of this Scheme.
- 29.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Demerged Company and the Resulting Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall have overriding effect and shall prevail.

30. COSTS

- 30.1. In the event of the Scheme failing to take effect, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
- 30.2. Subject to Clause 30.1 above, all costs, charges, and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) payable in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid by the Companies, as mutually agreed. The share of unearned income / premium, if any, payable to MIDC for transfer of immovable properties will be payable/borne by the Resulting Company.



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SCHEDULE 1

List of Immovable Property transferred pursuant to Demerger

| Sl. No. | Details of Immovable Property | Location | Area of Land |
|---------|-------------------------------|---|--------------|
| 1 | Leasehold Land & Building | Industrial Shed at Plot No. B-22, MIDC Lonand, Near Mukand Bekart and Privelage, Opposite MSEB Sub Station, Off Lonand Shirval Road, Village Lonand, Tal. Khandala, Dist. Satara. | 160173 sqm |

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Certified True Copy _____

Date of Application 10/7/22

Number of Pages 29

Fee Paid Rs. 145/-

Applicant called for collection copy on 19/8/22

Copy prepared on 19/8/2022

Copy Issued on 19/8/2022

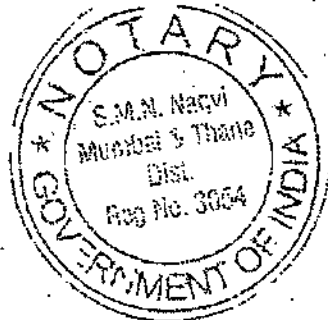
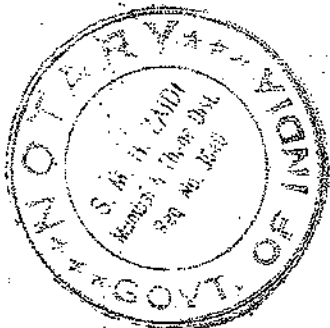


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Deputy Registrar 19/8/2022

National Company Law Tribunal, Mumbai Bench

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PARTNER



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