



February 29, 2024

Department of Corporate Services
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
BSE Scrip Code : 500460

Listing Department
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai – 400051
NSE Symbol : MUKANDLTD

ISIN CODE : INE304A01026

Dear Sirs

Sub: Disclosure under Regulation 37(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”) – Scheme of Arrangement between Mukand Sumi Metal Processing Limited and Mukand Limited (“Company”) & their respective shareholders & creditors (“Scheme”), under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 with the Appointed Date as of 1st April, 2024.

We refer to our letter dated 8th February, 2024 wherein it was intimated that the Board of Directors of the Company at its meeting held on 8th February, 2024 has approved the captioned draft Scheme of Arrangement.

Pursuant to Regulation 37(6) of Listing Regulation read with SEBI Master Circular dated 20th June, 2023 bearing reference no. SEBI/HO/CFD/POD-2/P/CIR/2023/93, please find enclosed the following documents with respect to the Scheme for dissemination on the Exchange’s Website.

1. Certified True Copy of the draft Scheme of Arrangement between Mukand Sumi Metal Processing Limited & the Company & their respective shareholders & creditors, under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013.
2. Certified True Copy of the Resolution passed by the Board of Directors of the Company at its meeting held on 8th February, 2024.

We request you to kindly take the note of above on your record, and to treat the same as compliance with the applicable provisions of the Listing Regulations.

Yours faithfully,
For **Mukand Limited**

Rajendra Sawant
Company Secretary

Encl – as above

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 LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A. PREAMBLE

This Scheme of Arrangement 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 Limited (“Mukand” or “Resulting Company”).

B. BACKGROUND OF THE COMPANIES

1. Mukand Sumi Metal Processing Limited (“MSMPL”)

(a) MSMPL (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 having its registered office at 3rd Floor, Bajaj Bhawan, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai, Maharashtra – 400021.

(b) MSMPL is inter-alia, 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 also engaged in the business of stainless steel cold finished bars and wires and treasury and investment business.

(c) MSMPL is a wholly owned subsidiary of Mukand.

2. Mukand Limited (“Mukand”)

(a) Mukand (CIN:L99999MH1937PLC002726) (PAN: AAACM5008R) is a listed public company limited by shares, incorporated on 29th November, 1937 under the provisions of Indian Companies Act, 1913 having its registered office at Bajaj Bhavan, Jammalal Bajaj Marg 226, Nariman Point, Mumbai, Maharashtra – 400021. Equity shares of Mukand are listed on NSE and BSE.

(b) Mukand is a multi-division, multi-product conglomerate which mainly deals in manufacture of special alloy steel / stainless steel, billets, bars, rods, wire rods, EOT cranes, material handling equipment, other industrial machinery, comprehensive engineering services and construction/erection services.

3. MSMPL and Mukand are collectively referred to as the “Companies”

C. RATIONALE

1. The Scheme is expected to enable the better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the Companies (*defined in Part I below*), their respective shareholders, creditors, lenders, consumers, and employees. The rationale and benefits of the Scheme are set out below:

(a) the proposed Demerger will result in consolidation of Stainless Steel Cold Finished Bars and Wires Business (*defined hereinafter*) in a single entity, Mukand, resulting in alignment

of interest of all shareholders, concentrated management focus, integration of business operations, greater financial strength and maximise overall shareholders' value;

- (b) the Scheme will enable streamlining of business processes and eliminate complexities and redundancy of transactions between the Companies;
 - (c) the Scheme will help in achieving and sustaining competitiveness and development of internal core competencies of Mukand 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 economies of scale to Mukand.
2. Consequently, the respective Board of Directors (*defined in Part I below*) of the MSMPL and Mukand, at their respective meetings held on 7th & 8th February, 2024 respectively have approved the Demerger (*as defined in Part I Below*) as provided in this Scheme of Arrangement hereinafter.

D. GENERAL

1. This Scheme is divided into the following parts:
- (a) **Part I** provides for the definitions and interpretations;
 - (b) **Part II** gives the capital structure of the Companies;
 - (c) **Part III** provides for transfer and vesting of Demerged Undertaking of MSMPL/Demerged Company as a going concern, to Mukand/Resulting Company by way of Demerger, Accounting Treatment, Consideration and other matters incidental thereto;
 - (d) **Part IV** deals with other general terms and conditions as applicable to the Scheme.

PART I – DEFINITIONS AND INTERPRETATIONS

1. DEFINITIONS AND INTERPRETATIONS

1.1. In this Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings as 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;

“**Applicable Laws**” means any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders, judgements, decisions 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 in India;

“**Appointed Date**” means 1st April, 2024 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 and includes any applicable governmental body (central, state or local Government), legislative body, statutory body, departmental or public body, regulatory or administrative authority, Registrar of Companies, Regional Director, Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral 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 (*as defined below*), Income Tax Authorities or the National Company Law Tribunal and other applicable authorities 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 the Companies and shall include any committee or sub-committee thereof constituted or appointed and authorised for the purposes of matters pertaining to this Scheme and/or any other matter relating thereto;

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

“**Demerged Undertaking**” means the Stainless Steel Cold Finished Bars and Wires Business(*as defined below*) of Demerged Company (*as defined below*) including all related properties, assets, debts, liabilities, duties, obligations, rights, benefits, incentives (including application therefor), exemptions, subsidies, concessions, refunds and powers, on a going concern basis, representing an undertaking in compliance with Section 2(19AA) of the Income Tax Act, as on the Appointed Date, which shall be transferred to and vested in the Resulting Company (*as defined below*) upon Demerger from the Demerged Company in terms of Part III 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, accrued, fixed or otherwise including property, goodwill and intangible assets,

whether or not recorded in the books of Demerged Company (excluding assets pertaining to Remaining Business of Demerged Company (*as defined below*)), 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 relatable to the Stainless Steel Cold Finished Bars and Wires Business including but not limited to all permissions, rights (including rights under any contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, trade 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 Stainless Steel Cold Finished Bars and Wires Business, and all deposits, advances and/or moneys paid or received to/ by the Stainless Steel Cold Finished Bars and Wires 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 Stainless Steel Cold Finished Bars and Wires 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, incentives, exemptions, subsidies, concessions, refunds, benefits of any unutilised CENVAT Credit GST Input Tax 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 Stainless Steel Cold Finished Bars and Wires 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 and hereditaments and premises, situated, lying and being thereat together with all the buildings and structures standing thereon relating to the Stainless Steel Cold Finished Bars and Wires Business as more particularly set out in **Schedule I**;
- (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,, 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 Stainless Steel Cold Finished Bars and Wires 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 Stainless Steel Cold Finished Bars and Wires 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;
- (vi) all permanent and / or temporary employees, workmen, staff, contract staff of Demerged Company engaged in directly or exclusively for the Stainless Steel Cold Finished Bars and Wires 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 Stainless Steel Cold Finished Bars and Wires Business;
- (vii) extension of insurance covers and / or benefits under the existing insurance policies providing insurance cover pertaining to the Stainless Steel Cold Finished Bars and Wires 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 Stainless Steel Cold Finished Bars and Wires 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 relating to Stainless Steel Cold Finished Bars and Wires Business. Further, provided 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 Liabilities pertain or does not pertain to the Stainless Steel Cold Finished Bars and Wires Business or whether it arises out of the activities or operations of the Stainless Steel Cold Finished Bars and Wires 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, under this Scheme in terms of Section 2(19AA) of the Income Tax Act, as provided in Part III of the Scheme;

“Effective Date” shall mean the last of the dates on which all the conditions and matters as referred to in **Clause 1721** of the Scheme occur or have been fulfilled or 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’ shall mean 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” 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 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 and as notified under the Companies (Indian Accounting Standard) Rules, 2015;

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

“Liabilities” means all present and future liabilities pertaining to the Stainless Steel Cold Finished Bars and Wires Business 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;

“MSMPL” or “Demerged Company” means Mukand Sumi Metal Processing Limited (CIN - U27300MH2012PLC234000) , an unlisted public company limited by shares incorporated on 1st August, 2012 under the provisions of Companies Act, 1956, having its registered office at 3rd Floor, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai, Maharashtra – 400021.

“Mukand” or “Resulting Company” means Mukand Limited (CIN:L99999MH1937PLC002726), a listed company limited by shares, incorporated on 29th November, 1937 under the provisions of Indian Companies Act VII of 1913, having its registered office at Bajaj Bhavan, Jamnalal Bajaj Marg 226, Nariman Point, Mumbai, Maharashtra – 400021.

“National Company Law Tribunal” or “NCLT” or “Tribunal” means the bench of the National Company Law Tribunal at Mumbai, Maharashtra having jurisdiction over MSMPL and Mukand, and shall include, if applicable, such 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, modification, amendment made thereto and supplementary orders/directions in relation thereto;

“PAN” means Permanent Account Number issued by the Income Tax department;

“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;

“Scheme” or “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 19, 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;

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

- 1.2. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act and other Applicable Laws, rules, directions, guidelines, regulations, bye-laws, as the case may be or any statutory modification or re-enactment(s) 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” shall mean calendar days;
- (f) references to dates and times shall be construed to be references to Indian dates and times;
- (g) reference to a document includes a reference to that document as varied, amended, supplemented, substituted, novated or assigned, from time or 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 council or employee representatives body (whether or not having separate legal personality);
- (i) references 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;
- (j) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- (k) any reference to any statute or statutory provision shall include:
 - 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.

PART II – SHARE CAPITAL

2. SHARE CAPITAL

2.1. Mukand Sumi Metal Processing Limited

The capital structure of the MSMPL as on 31st January, 2024 is as under:

A. Authorised Share Capital	Amount (INR in Crs.)
3,00,00,000 Equity shares of Rs. 10/- each	30.00
Total	30.00
B. Issued, subscribed and paid-up Share Capital	Amount (INR in Crs.)
2,73,00,000 Equity shares of Rs. 10/- each fully paid up	27.30
Total	27.30

The entire paid up share capital of the Demerged Company is held by Mukand/Resulting Company along with its joint shareholders.

2.2. Mukand Limited

The capital structure of Mukand as on 31st January, 2024 is as under:

A. Authorised Share Capital	Amount (INR in Crs.)
18,81,00,000 Equity Shares of Rs. 10/- each	188.10
Total	188.10
B. Issued Share Capital	Amount (INR in Crs.)
14,93,63,636 Equity Shares of Rs. 10/- each fully paid	149.36
Total	149.36
C. Subscribed and fully paid-up Share Capital	Amount (INR in Crs.)
14,44,95,563 Equity Shares of Rs. 10/- each fully paid	144.51
Total	144.51

Note: Subscribed and fully paid up share capital as mentioned above is after considering the forfeiture of share capital.

There has been no change in the authorised, issued, subscribed and paid up share capital of the MSMPL and Mukand till 7th & 8th February, 2024 respectively, the date on which this Scheme is approved by the respective Board of Directors of the Companies

PART III – DEMERGER AND VESTING OF DEMERGED UNDERTAKING FROM DEMERGED COMPANY INTO RESULTING COMPANY

3. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

- 3.1. Upon this 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 vested in and/or be deemed to have been transferred to and vested in Resulting Company, as a going concern on an "as-is-where-is" basis, by way of Demerger in terms of 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 the Resulting Company by virtue of and in the manner provided in this Scheme.
- 3.2. 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 Laws, 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 and vested 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 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 recorded 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 3.2(b) if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Appropriate Authority 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, as 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 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, if any 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 fulfil 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 Authority 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, incentives, licenses (including the licenses granted by any governmental, statutory or regulatory Authority 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 of 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, incentives, licenses (including the licenses granted by any Appropriate Authority 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 favour of Resulting Company and 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 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 order of 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 order of the 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 Appropriate Authority 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, exemptions, subsidies, refunds and concessions under incentive schemes and policies, customs, excise, service tax, VAT, sales tax, entry tax, goods and services tax, as applicable), 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 and exemptions, tax holidays, rebates, indirect tax benefits and exemptions (including benefits, entitlements, incentives, exemptions, subsidies, refunds and concessions under incentive schemes and policies, customs, excise, service tax, VAT, sales tax, entry tax, goods and services tax, as applicable , 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.
- (j) all 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 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 ensure 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 tax credit, 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 or 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. Benefit of tax losses including brought forward business losses, unabsorbed depreciation, etc., pertaining to the Demerged Undertaking as on & up to the Appointed Date, shall be available to Resulting Company in terms of Section 72A of Income Tax Act. It is expressly clarified that all the accumulated business losses and unabsorbed depreciation pertaining to demerger undertaking of MSMPL so transferred, shall be eligible to be carried forward and set off in the hands of the Resulting Company.

- (p) Resulting Company shall be entitled to claim refunds or credits, including input tax credit, with respect to taxes paid by, for, or on behalf of, the Demerged Undertaking under Applicable Laws, 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 fulfilment 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;

3.3. Without prejudice to the generality of Clause 3.1 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 to be transferred to the Resulting Company, that are discharged by Demerged Company on or 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 provisions of Section 230 to 232 read with Section 52 and other applicable provisions of the Act and all other provisions of Applicable Laws, 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 Encumbrance, if any affecting the same as hereinafter provided:

- (i) The Encumbrance 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 Encumbrance shall not relate to or attach to any of the other assets of Resulting Company.
- (ii) In so far as any Encumbrance 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 Encumbrance 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 Encumbrance 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 Encumbrance 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 of 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 as the case may be.
- (f) 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.
- (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.
- 3.4. 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 nature 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.
- 3.5. It is expressly clarified that in case any question that may arise as to whether any particular asset or Liability pertain or do 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.

4. **EMPLOYEES**

- 4.1. 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 of Demerged Undertaking**”) 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 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 of Demerged Undertaking, 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 Laws. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the Transferred Employees of Demerged Undertaking and the services of all the Transferred Employees of Demerged Undertaking for such purpose shall be treated as having been continuous.
- 4.2. Resulting Company agrees that the services of the Transferred Employees of Demerged Undertaking prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident

plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in the Demerged Company. Resulting Company undertakes to pay the same, as and when payable under Applicable Laws.

- 4.3. The existing gratuity fund, annuity, staff welfare scheme and any other special scheme or benefits of the Transferred Employees of Demerged Undertaking 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 of Demerged Undertaking 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.
- 4.4. Upon the Scheme becoming effective, Demerged Company will transfer/handover to Resulting Company, copies of employment information of all such Transferred Employees of Demerged Undertaking, 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 of Demerged Undertaking and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- 4.5. The contributions made under Applicable Laws in connection with the Transferred Employees of Demerged Undertaking, 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.
- 4.6. Resulting Company shall continue to abide by any agreement(s)/ settlement(s) entered into in respect to the Transferred Employees of Demerged Undertaking.

5. **LEGAL PROCEEDINGS**

- 5.1. 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.
- 5.2. 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.

- 5.3. After the Appointed Date, if any Legal Proceedings are initiated against Demerged Company in respect of the matters referred to in the Clause 5.2 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.
- 5.4. 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, Liabilities, 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 Proceedings by or against Demerged Company.
- 5.5. 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.

6. **TREATMENT OF TAXES**

- 6.1. All taxes (including income tax, sales tax, customs, 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, customs, 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.
- 6.2. 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.
- 6.3. 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 in terms of Section 170A of Income Tax Act, if applicable 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 any tax related deductions, or any other tax related compliances or filings of forms.

- 6.4. 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.

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

- 7.1. 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, 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, whether freehold or leasehold, acquired or entitled to use, as the case may be, 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, as the case may be, 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 Laws.
- (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) All the benefits (including deduction, if any) availed or Liabilities accrued under the Income Tax Act to the Demerged Company (in relation to the Demerged Undertaking), for the period commencing from the Appointed Date till Effective Date, shall for all purposes be treated as and deemed to be the benefit availed or Liabilities accrued by Demerged Company on the behalf of and in trust of Resulting Company.
- (h) 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.

7.2. 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 on or with effect from the Appointed Date as applicable till the Effective Date.

8. TRANSACTIONS UPTO THE EFFECTIVE DATE

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

- (a) 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.
- (b) 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.

- (c) 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.
- (d) 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.

9. REMAINING BUSINESS OF DEMERGED COMPANY

- 9.1. 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.
- 9.2. 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, 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, liabilities, obligation or duty, in respect of the Remaining Business of Demerged Company) shall be continued and enforced solely by or against the Demerged Company.
- 9.3. In so far as the assets of the Remaining Business of the Demerged Company are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Stainless Steel Cold Finished Bars and Wires Business shall, without any further act, instrument or deed be released and discharged from such security pledge, charges or mortgages. The absence of any formal amendment which may be required by a bank and/or financial institutions in order to affect such release shall not affect the operation of this clause.
- 9.4. In so far as the existing security in respect of the loans and other liabilities relating to the Remaining Business of the Demerged Company are concerned, such security shall, without any further act, instrument or deed be continued with the Demerged Company only on the assets which are remaining with the Demerged Company.
- 9.5. With effect from the Appointed Date, as applicable, and upto the Effective Date;
 - (a) Demerged Company shall carry on all business and activities relating to the Remaining Business of Demerged Company for and on its own behalf; and

- (b) 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.

10. **CONSIDERATION**

Upon coming into effect of this Scheme, no consideration shall be required to be paid/issued since the Demerged Company is the wholly owned subsidiary of the Resulting Company.

11. **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 the applicable Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, as under:

11.1. Accounting Treatment in the books of the Demerged Company:

- (a) Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company shall account for the Demerged Undertaking in its books as per the applicable Indian accounting standards and other generally accepted accounting principles in India.
- (b) Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company shall reduce the value of all assets, Liabilities pertaining to the Demerged Undertaking, as identified by the Board of the Demerged Company, transferred to the Resulting Company, at the same value appearing in the books of the Demerged Company.
- (c) The intercompany balances, including loans and advances, pertaining to the Demerged Undertaking, outstanding between the Resulting Company and the Demerged Company shall stand cancelled.
- (d) Surplus or Deficit, if any in the book value of the assets & Liabilities pertaining to the Demerged undertaking transferred pursuant to the Scheme to the Resulting Company after considering the impact of Clause 11.1(c) above shall be transferred to the 'Reserve Account' in the financial statement of the Demerged Company.
- (e) Cost and expenses incurred by the Demerged Company in connection with the Scheme and to put into operation and any other expenses or charges incurred for implementing the demerger shall be charge to its Statement of Profit and Loss.

- (f) Any other matter not dealt within Clause hereinabove shall be dealt with in accordance with the Indian accounting standards and other generally accepted accounting principles in India applicable to the Demerged Company.

11.2. Accounting Treatment in the books of the Resulting Company:

- (a) Notwithstanding anything else contained in the Scheme, the Resulting Company shall account for the Demerged Undertaking in its books as per the applicable accounting principles as laid down in Appendix C of the Indian Accounting Standard 103 (Ind AS 103) (Business Combination of entities under common control) notified under section 133 of the Act, the Companies (Indian Accounting Standard) Rules, 2015 and/or any other applicable Indian Accounting Standard as the case may be.
- (b) The Resulting Company shall record the assets and Liabilities of the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Demerged Company as on the Appointed Date;
- (c) To the extent there are intercompany balances, including loans and advances, pertaining to the Demerged Undertaking, outstanding between the Resulting Company and the Demerged Company shall come to an end and shall stand cancelled in the books of resulting company.
- (d) The value of investment of the Demerged Undertaking held by the Resulting Company in the Demerged Company shall be adjusted and computed based on the proportion of net assets of the Demerged Undertaking being transferred in the total net assets appearing in the books of the Demerged Company on the day immediately preceding the Appointed date. Accordingly, the existing carrying value of the investment held by the Resulting Company in the Demerged Company after deducting the amount attributable to Demerged Undertaking of the Demerged Company as per this clause will be deemed as the new carrying value of the investment held by the Resulting Company in the Demerged Company.
- (e) Surplus or Deficit, if any, after recording assets & Liabilities transferred from the Demerged Company and adjustments made in investments held in Demerged Company as above and after considering the impact pursuant to cancellation of the inter-company balances as stated in Clause 11.2(c) above, shall be transferred to “Capital Reserve Account” in the financial statement of the Resulting Company.
- (f) 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.
- (g) 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 based on consistent accounting policies.

- (h) 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.
- (i) Any other matter not dealt within Clause hereinabove shall be dealt with in accordance with the Indian Accounting Standards applicable to the Resulting Company.

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

- 12.1. The provision of this Scheme as it 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.

13. DATE OF EFFECTIVENESS OF THE SCHEME

The Scheme shall come into effect from Effective Date.

PART IV– GENERAL TERMS & CONDITIONS

14. REDUCTION OF SECURITIES PREMIUM IN DEMERGED COMPANY

- 14.1. Post giving the effect of demerger as per Clause 11.1(d) above, the debit balance of reserve including retained earnings under the head “other equity” shall be adjusted with securities premium, to the extent of ₹ 84,69,07,232, in the books of the Demerged Company.
- 14.2. The reduction in the securities premium account of the Demerged Company 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 Demerged Company and accordingly the NCLT Sanction Order shall also be deemed to be the order passed under section 66 and other relevant provisions of the 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 Demerged Company, the Demerged Company shall not be required to add “And Reduced” as suffix to its name.
- 14.3. The consent of shareholders of the Demerged Company to the Scheme by way of special resolution and the consent of the secured and unsecured creditors of the Demerged Company 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.

15. DECLARATION OF DIVIDEND, BONUS AND OTHERS

- 15.1. During the pendency of the Scheme, the Companies, subject to Clause 15.4 and Clause 15.5 hereinafter, shall be entitled to declare and pay dividend, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.
- 15.2. The shareholders of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- 15.3. For avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent Companies involved in the Scheme from issuing fully paid up bonus equity shares to its shareholders in accordance with Applicable Laws.
- 15.4. 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 their business, in respect of the period falling on and after the date of approval of this Scheme by the Board of Directors, without the prior written consent of the Board of Directors of Resulting Company.
- 15.5. It is clarified that the aforesaid provisions in respect of declaration of dividend, 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 the shareholders of the Companies to demand or claim any

dividend/bonus shares which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the Board of Directors of respective Companies, subject to such approval of the shareholders, as may be required.

16. 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 or after the Appointed Date till the Effective Date, to the extent Resulting Company accepts and adopts all acts, deed and things and executed by Demerged Company in respect thereto as acts, deed and things done and executed on behalf of Resulting Company itself.

17. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 17.1. The Scheme being approved by the requisite majority (in number and value) of the various classes of shareholders and/or creditors, as may be applicable, as required under the Act, of Demerged Company and Resulting Company or receipt of order of the NCLT providing dispensation from convening meeting of shareholders and/or creditors and/or other classes of persons of all the companies or any of the company, as the case may be.
- 17.2. The sanction of the Scheme by the Hon'ble NCLT under Sections 230 to 232 read with Section 52 and other applicable provisions of the Act and if any modifications have been prescribed the same being acceptable by the Demerged Company & the Resulting Company;
- 17.3. Certified / authenticated copy of the NCLT Sanction Order being filed with the Registrar of Companies by the Demerged Company and Resulting Company.

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

- 18.1. 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 to give full and formal effect to the provisions of this Scheme.
- 18.2. 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 may be required.

19. MODIFICATIONS OR AMENDMENTS 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:

- 19.1. Assent to any alteration(s) or modification(s) to this Scheme which the NCLT and/or any other Appropriate Authority may deem fit to direct 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;
- 19.2. 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 exclude any of those (to the extent permissible under law);
- 19.3. 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

20. **WITHDRAWAL OF THE SCHEME**

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 from this Scheme prior to the Effective Date, in any manner at any time;

21. **EFFECT OF NON RECEIPT OF APPROVALS**

In the event any of the said sanctions and approvals referred to in the preceding Clause 17 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 30th September, 2025 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.

22. **ADMINISTRATIVE CONVENIENCE**

- 22.1. 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 Stainless Steel Cold Finished Bars and Wires Business from Demerged Company to Resulting Company.
- 22.2. 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 immovable).

23. 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 1717.

- 23.1. The Demerged Company and the Resulting Company shall be entitled to, amongst others, file/ or revise their respective financial statements, Income tax returns/ computation of income after giving effect of Demerger as applicable in terms of Section 170A of Income Tax Act TDS/TCS returns, service tax, goods and service tax, excise duty, sales tax, value added tax, entry tax, cess, professional tax or any other statutory returns, if required, credit for advance tax paid, self-assessment tax paid, tax deducted at source, tax collected 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 Resulting Company previously disallowed in the hands of Demerged Company pertaining to Demerged Undertaking under the Income Tax Act, credit of foreign taxes paid/ withheld, if any, pertaining to Demerged Company, 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. 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, deduction and benefits claimed by, for, or on behalf of, Demerged Undertaking relating to the period on or after Appointed Date, shall be deemed to be the taxes or duties paid by and deduction and benefit claimed by the Resulting Company and it shall be entitled to claim credit or refund for such taxes or duties and deduction and benefit as available to the Demerged Company.
- 23.2. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit/ TCS credit available or vested with 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, as applicable, shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Resulting Company. Any TDS deducted/deposited by, or on behalf, of Demerged Company pertaining to Demerged Undertaking on inter se transactions will be treated as tax deducted/ deposited by, or on behalf of Resulting Company.
- 23.3. 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.

23.4. Upon the Scheme becoming effective, the Resulting Company shall carry on and shall be authorised to carry on the business of the Demerged Undertaking. For the purpose 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 changes in legal right(s) upon the Demerger of the Demerged Undertaking in accordance with the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Act. The Resulting Company is and shall always be deemed to have been authorised 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.

24. **SEVERABILITY**

24.1. 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 Board of Directors of the Companies which are parties to this Scheme, affect the validity or implementation of the other provisions and parts of this Scheme.

24.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Companies which are parties to this Scheme and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall have overriding effect and shall prevail.

25. **COSTS, CHARGES, EXPENSES AND STAMP DUTY**

25.1. 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.

25.2. Subject to Clause 25.1 above, all costs, charges, expenses (including but not limited to, any taxes and duties, stamp duty, registration charges, etc.), if any arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Resulting Company.

SCHEDULE I

List of Immovable Properties transferred pursuant to Demerger

Factory Shed, commonly known as Bright Bar Division shed (BBD Shed) and Coil Furnishing Division (CFD), located at Dighe, PO Kalwe, Thane – Belapur Road, District Thane Maharashtra – 400 605



MUKAND

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF MUKAND LIMITED (“THE COMPANY”) HELD ON THURSDAY, FEBRUARY 8, 2024 AT 11.00 A.M. AND CONCLUDED AT 1.25 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT BAJAJ BHAVAN JAMNALAL BAJAJ MARG 226 NARIMAN POINT, MUMBAI, MAHARASHTRA, INDIA, 400021

“RESOLVED THAT the recommendation made by the Audit Committee of the Company for demerger of Stainless Steel Cold Finished Bars And Wires Undertaking of Mukand Sumi Metal Processing Limited (“MSMPL” or “**Demerged Company**), on a going concern basis into the Company (Holding Company) pursuant to Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 (“**the Act**”) as placed before the Board be and is hereby noted.

“RESOLVED FURTHER THAT pursuant to provisions of Section 230 to 232 read with Section 52 and other applicable provisions, if any, of the Act, r/w The Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 and other applicable rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and such other applicable rules, regulations, guidelines, and circulars issued by the respective regulatory authorities thereunder, or by any other regulatory authority from time to time, and in accordance with and subject to the applicable provisions of the Memorandum of Association and Articles of Association of the Company, for the time being in force, subject to requisite approval of the shareholders and creditors of the Company, as may be applicable and also subject to the sanctions and permissions of the National Company Law Tribunal, Mumbai Bench (“**NCLT**”), and other regulatory or government bodies / tribunals or institutions as may be applicable, the Board of Directors (“**Board**”) hereby approve the draft Scheme of Arrangement (“**Scheme**”) between MSMPL and the Company and their respective shareholders and creditors, placed before the Board and initialled by the Company Secretary for the purpose of identification, which provides for demerger of Stainless Steel Cold Finished Bars And Wires Undertaking of MSMPL and transfer and vesting thereof into the Company (“**Demerger**”) with effect from the appointed date of 1st April, 2024.”

“RESOLVED FURTHER THAT, the Accounting Treatment Certificate dated February 8, 2024, issued by M/s DHC & Co (Firm Registration No. 103525W) statutory auditor of the Company, confirming that the accounting treatment contained in the Scheme, is in compliance with all the applicable Indian Accounting Standards specified by Central Government under section 133 of the Act, read with the rules framed thereunder and other generally accepted accounting principles, in terms of proviso to Section 230(7) and Section 232(3) of the Act, and as placed before the Board, be and are hereby accepted and noted.”



“RESOLVED FURTHER THAT in terms of Section 232(2)(c) of the Act, the report placed before the Board, considering the effect of the Scheme on class of shareholders, key managerial personnel, promoters and non-promoters shareholders is hereby noted and adopted and that any one of the Directors of the Company or the Company Secretary be and is hereby authorized to sign the same on behalf of the Board.”

“RESOLVED FURTHER THAT, the certificate dated February 7, 2024 obtained from N R Sanghrajka & Co., Chartered Accountant, certifying Demerged Company as Wholly Owned Subsidiary of the Resulting Company and initialed by the Chairman for the purpose of identification, is placed before this Meeting and is hereby noted and taken on record”.

“RESOLVED FURTHER THAT Mr. Rajendra Sawant, Company Secretary and Mr. Pradeep Kunjappan, Incharge – Legal be and are hereby severally authorized, to do all such acts, deeds & things including and not limited to the following:

- a) Signing, finalising, executing, make such changes/ alterations/ modifications/ additions/ deletions in the said Scheme as may be required, without making any further reference to the Board for their approval and to do all such acts and deeds as may be deemed to be expedient or necessary on behalf of the Company for satisfying the requirements or conditions as may be imposed;
- b) Filing the Scheme and/or any other information/details (including responding to queries from regulatory/ statutory authorities or agencies) as may be necessary, with the Registrar of Companies, NCLT, and/or any other regulatory/statutory authorities or agencies or as may be required by the Board of Directors of the companies involved in the said Scheme, as approved at this meeting;
- c) Preparing, executing and filing appropriate applications, affidavit, petitions, pleadings, consents, waivers, and other documents before the NCLT or other regulatory/statutory authority or agency including the Regional Director, the Registrar of Companies, Income Tax Authorities or such other authority as may be required, on behalf of the Company, in connection with the Scheme and/or in connection with the sanction thereof and to do all such acts, deeds or things as they deem necessary in connection therewith and incidental thereto;
- d) Appointing such Counsels, solicitors, advocates, chartered accountants, advisors, consultants and/or other professionals and experts, as deemed fit, for purposes connected to the Scheme to represent the Company for approval of the Scheme and to sign and execute Vakalatnama wherever necessary and sign and issue public





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advertisements and notices and incurring such expenses as may be necessary to give effect to the Scheme, including payment of stamp duty, payment of fees to attorneys, counsels, advisors and other expenses, including ratification of any earlier appointments;

- c) Signing all applications, petitions, documents, undertakings, affidavit, letters relating to the Scheme and represent the Company before any regulatory authorities and the NCLT in relation to any other matter pertaining to the Scheme or delegate such authority to another person by a valid power of attorney;
- f) Consenting to and making such alterations or modifications or amendments to the Scheme to comply with any conditions or limitations that the NCLT or any other statutory authority(ies) may deem fit to direct or impose or for any other reason which may otherwise be considered necessary, desirable or appropriate, whether in pursuance of a change in law or otherwise and to take all such steps as may be necessary, desirable or proper for resolving any doubts, difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect or make any modifications/ amendments to the Scheme in pursuance to change in law or otherwise, provided that no alteration which amounts to a material change shall be made to the substance of the Scheme except with the prior approval of the Board of Directors;
- g) Withdrawing the Scheme at any stage in case any alterations or modification proposed by the NCLT and /or any other authority to the Scheme adversely affects the interest of the Company;
- h) Executing and filing affidavits, petitions, pleading, court papers, documents, writings, representations, applications, waiver letters, undertakings, confirmation and other documents, which are required to be executed or delivered for the purposes connected to the proposed Demerger and / or obtaining directions from the NCLT and to take all actions and do all deeds, incidental or deemed necessary or useful in connection with the aforesaid (including delivering a certified copy of this resolution to any concerned party or authority and for this purpose, appearing in person and/ or to represent the Company in general before the NCLT or any other authority in relation to any matter pertaining to the Scheme), and to execute and issue public notices and advertisements;
- i) Affixing the common seal, if required, of the Company in accordance with the provisions of the Articles of Association of the Company on any document executed or furnished by the Company in connection with or incidental to the Scheme and to send, if required, the common seal of the Company to other places, if so required, to





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facilitate the execution of such documents in connection with or incidental to the Scheme; and

- j) Doing all acts, deeds, matters and things and executing all such documents, papers and writings as may be necessary, proper or expedient, in its absolute discretion, to give effect to the Scheme and for matters connected therewith or incidental thereto, including filing of the certified copy of the final order of the NCLT sanctioning the Scheme with the Registrar of Companies;
- k) To sign, execute any documents, papers, etc, for and on behalf of the Company to give effect of the above resolution.

“RESOLVED FURTHER THAT in this connection, an application followed by a petition be made to NCLT under the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Act, and rules and regulations made thereunder, including any modification, amendment or re-enactment thereof, for seeking an order for holding and /or dispensing with the meetings of the equity and/ or preference shareholders and creditors for the purpose of considering and approving the Scheme and for obtaining sanction of the NCLT to the Scheme respectively.”

“RESOLVED FURTHER THAT the Company, being a holding company of MSMPL, the consent of the Board be and is hereby given to Scheme and for seeking dispensation with the requirement of holding of meeting of the equity shareholders of MSMPL before the NCLT under the provisions of Section 230 to 232 read with Section 52 and other relevant provisions of the Act, as may be applicable, (and any modifications, amendments and re-enactments thereof) and making any change(s) in Scheme as may be required or approved by the shareholders and/ or creditors and/ or any authority and/or the Regional Director while granting their consent/ approval to the Scheme and/or which may be desired by/acceptable to the Boards of the respective companies.

“RESOLVED FURTHER THAT Mr. Rajendra Sawant, Company Secretary and Mr. Pradeep Kunjappan, Incharge – Legal be and are hereby severally authorized, for and on behalf of the Company, to sign and give consent, in any manner, as equity shareholders of MSMPL for dispensation with the requirement of holding of meeting of the equity shareholders of MSMPL and to consider and approve the Scheme and making any change(s) in the Scheme as may be required or approved by the shareholders and/ or creditors and/ or any authority and/or Regional Director, as applicable, while granting their consent/ approvals to the Scheme and which may be desired by/acceptable to the Boards of the respective companies.”





MUKAND

“RESOLVED FURTHER THAT the consent of the Board be and is hereby given for granting dispensation with the requirement of holding of meeting of Creditors of MSMPL in terms of provisions of Section 230-232 read with Section 52 and other relevant provisions of the Act, as may be applicable.”

RESOLVED FURTHER THAT Mr. Rajendra Sawant, Company Secretary and Mr. Pradeep Kunjappan, Incharge – Legal be and are hereby authorized severally to sign & give consent on behalf of the Company and to do all such acts, deeds & things and take all necessary actions on behalf of the Company for satisfying the requirements or conditions as may be imposed for dispensation of meeting of the Creditors before NCLT under the provisions of Section 230-232 read with Section 52 and other relevant provisions of the Act, as may be applicable”

“RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Rajendra Sawant, Company Secretary of the Company be and are hereby severally authorized to issue and submit certified true copies of this resolution, as and when required, to appropriate authorities/bodies and to do and perform such other acts, deeds and things as may be necessary and/or incidental to the passing of this resolution”.

CERTIFIED TRUE COPY
MUKAND LIMITED

Rajendra Sawant
Company Secretary
FCS 4961



Date: February 29, 2024

Place: Mumbai