

Mukand Ltd.

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CIN : L99999MH1937PLC002726

28th March, 2017

1.	Department of Corporate Services BSE LIMITED, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. ISIN CODE : INE304A01026 INE304A04012 BSE Scrip Code: 500460	2.	Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Plot no. C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051 ISIN CODE : INE304A01026 INE304A04012 NSE Scrip Name: MUKANDLTD.
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- Sub:
- 1) Scheme of Arrangement and Amalgamation amongst Mukand Limited, Whiteleaf Multiventures Pvt. Ltd., Avista Diam & Gold Pvt. Ltd., and their respective shareholders and creditors.
 - 2) Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”).

Dear Sir,

1. We would like to inform you that the Board of Directors (“**Board**”) of Mukand Limited (“**Company**” or “**Mukand**”), at its meeting held on 27th March, 2017, considered and approved, after recommendation of the Audit Committee of the Company, a scheme of arrangement and amalgamation amongst the Company, Whiteleaf Multiventures Pvt. Ltd. (Proposed Name: Whiteleaf Heavy Machinery Pvt. Ltd.) (“**Whiteleaf**”) and Avista Diam & Gold Pvt. Ltd. (Proposed Name: Technosys Industrial Machinery Pvt. Ltd.) (“**Avista**”) and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Scheme**”) as detailed below:

- 1.1. Slump exchange of industrial machinery business of the Company (“**Transferred Undertaking**”) to Whiteleaf on a going concern basis (“**Slump Exchange**”);
- 1.2. Amalgamation of Whiteleaf (post Slump Exchange) with Avista in accordance with Section 2(1B) of the Income Tax Act, 1961 (“**Amalgamation**”).

The Appointed Date for Slump Exchange and Amalgamation under the Scheme is 1st January 2017.

2. Whiteleaf and Avista are wholly owned subsidiaries of Mukand. The Board of Directors of Whiteleaf and Avista at their respective Board meetings held on 27th March, 2017 have also approved the said Scheme.



3. The Scheme shall be subject to the approval of the shareholders, creditors, Securities and Exchange Board of India, the stock exchanges where equity shares of the Company are listed, the income tax authorities, the Registrar, Official liquidator, the National Company Law Tribunal, and / or such other competent statutory /regulatory authorities as may be required under applicable law.
4. Mukand is a multi-division, multi product conglomerate involved in the manufacture of specialty steel long products and industrial machinery. Mukand is engaged in the business of design, manufacture, assembly and commissioning of industrial machinery, heavy duty cranes and bulk material handling equipment. Industrial machinery business shall include structural fabrication shop, heavy machine shop, light machine shop, assembly shop, heat treatment facilities, handling facilities, shot blasting facilities, hydraulic processes and testing facilities. Earlier this year the management of Mukand has undertaken a business restructuring exercise to unlock shareholder value by creating stand-alone company to attract strategic partners and investors. To this intent presently, Mukand is in the process of transferring its alloy steel rolling and finishing business undertaking to its wholly owned subsidiaries which is awaiting stock exchange approval. The shares of the Company are listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").
5. Whiteleaf and Avista are unlisted private companies. Whiteleaf and Avista, in terms of the Scheme will take over the Transferred Undertaking.
6. The details of turnover and net-worth of the Transferred Undertaking involved is as under:

(INR in Crs)

Particulars	Transferred Undertaking	% to total turnover / Net Worth of the Company [#]
Total Turnover for 12 months ended 31 st March, 2016	121.08	4.43%
Net-worth as on 31 st March, 2016	83.26	17.84%

[#] It is clarified that total network & turnover of the Company has been computed before transfer of Transferred Undertaking and alloy steel rolling and finishing business undertaking.

7. The details of turnover and net-worth of the companies involved are as under:

(INR in Crs)

Particulars	Company [^]	Whiteleaf	Avista
Total Turnover** for 12 months ended 31 st March, 2016	2,731.88	Not Applicable ^{\$}	Not Applicable [@]
Net-worth as on 31 st March, 2016	466.69*	Not Applicable ^{\$}	Not Applicable [@]

* Excluding Revaluation Reserve of INR 1,651.38 Crs. | ** Excluding other income

[^] It is clarified that total network & turnover of the Company has been computed before transfer of Transferred Undertaking and alloy steel rolling and finishing business undertaking.

^{\$} Whiteleaf has been incorporated on 15th July, 2016.

[@] Avista has been incorporated on 19th September, 2016.

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8. As a result of the proposed restructuring, the shareholding pattern of the companies involved in the Scheme shall remain same pre and post the Scheme becoming effective. While Whiteleaf shall stand dissolved, Avista shall remain wholly owned subsidiary of Mukand.
9. The following consideration is proposed to be discharged under the Scheme :
 - 9.1. **Slump Exchange** – Whiteleaf shall discharge the lump sum consideration of INR 92 Crs. payable by it to the Company by issue of equity shares of Whiteleaf.
 - 9.2. **Amalgamation** – Avista shall issue its equity shares to the shareholders of Whiteleaf (i.e. Mukand), in accordance with a share entitlement ratio of **1:1 (“Share Entitlement Ratio”)**, such that upon this Scheme becoming effective, Mukand shall be entitled to receive 1 fully paid up equity share of Avista of INR 10/- each for every 1 equity share of INR 10/- each held in Whiteleaf taking into account the consideration payable on the Slump Exchange.
10. The Share Entitlement Ratio mentioned in Paragraph 9 above has been arrived at based on the valuation report prepared by M/s Sharp & Tannan, independent Chartered Accountants, and confirmed by a fairness opinion prepared by Ashika Capital Ltd., independent merchant banker (Category I SEBI registered Merchant Banker) and approved by the Audit Committee and Board of the Company.
11. This Scheme is expected to better realise the potential of the industrial machinery business of the Company and enhance value for the Company and its stakeholders. The rationale for the Scheme is set out below:
 - a) Focused attention on the industrial machinery business resulting in improved efficiency and operations;
 - b) Unlocking of value for the stakeholders;
 - c) Improved cash flow;
 - d) Retirement of Company debts;
 - e) Rationalization & simplification of the group structure.

Thanking you,

Yours faithfully,
For Mukand Limited



Mr. K J Mallya
Company Secretary
(kjmallya@mukand.com)