



April 30, 2025

Department of Corporate Services
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.
ISINCODE : INE304A01026
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.
ISINCODE : INE304A01026
NSE Scrip Name: MUKANDLTD

Dear Sirs,

Sub: Disclosure under Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended (Listing Regulations)

Pursuant to Regulations 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and further to our intimation dated February 08, 2024, this is to inform you that the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated April 29, 2025 has sanctioned the Scheme of Arrangement ("the Scheme") between Mukand Sumi Metal Processing Limited ("Demerged Company" or "MSMPL"), wholly owned subsidiary of the Company, with the Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 the rules and/or regulations made thereunder.

A copy of the NCLT order is attached herewith for your reference and record. The details as required under Regulation 30 of Listing Regulations read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 are enclosed as **Annexure - A**.

Thanking you,

Yours faithfully,
For **Mukand Limited**

Rajendra Sawant
Company Secretary

Encl : as above

Annexure – A

Brief Details of Demerger

Sr. No.	Particulars	Details
a)	Brief details of the division(s) to be demerged	The Scheme provides for demerger of Stainless Steel Cold Finished Bars And Wires Undertaking of the Demerged Company, which is predominantly involved in the business of manufacturing and selling of stainless steel cold finished bars and wires, 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.
b)	turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	The turnover of the Demerged Undertaking as on March 31, 2024 was INR 655.23 Crores which constitutes 12.55 % of the total turnover of the Resulting Company in the immediately preceding financial year / based on financials of the last financial year (year ended March 31, 2024). [The turnover represents revenue from operations]
c)	rationale for demerger	As part of an overall strategy for the optimum running, value creation, growth and development of the business of the Demerged Company, it is considered desirable and expedient to reorganize and reconstruct the Demerged Company by demerging its Demerged Undertaking, the ‘Stainless Steel Cold Finished Bars and Wires Undertaking’, to the Resulting Company. The Scheme is expected, <i>inter alia</i> , to result in the following benefits:

		<p>(i) Consolidation of Stainless Steel Cold Finished Bars and Wires Business in a single entity i.e Resulting Company that will result in alignment of interest of all shareholders, concentrated management focus, integration of business operations, greater financial strength and maximise overall shareholders' value;</p> <p>(ii) Streamline the business process and eliminate complexities and redundancy of transactions between the Demerged Company and the Resulting Company;</p> <p>(iii) Facilitates development of internal core competencies of the company in the long term;</p> <p>(iv) Provide synergies in operational processes and greater productivity & cost savings in marketing, selling & distribution expenses, thereby leading to economies of scale to the Company.</p>
d)	brief details of change in shareholding pattern (if any) of all entities	<p>The Demerged Company is a Wholly Owned Subsidiary of the Resulting Company. Accordingly, upon the proposed Scheme coming into effect, the Resulting Company will not issue any shares in the form of consideration for the demerger and hence there will be no change in the shareholding pattern of the Resulting Company.</p> <p>Further, there shall be no change in shareholding pattern of Demerged Company, as it shall continue to remain a Wholly Owned Subsidiary of Resulting Company after the proposed Scheme comes into effect.</p>
e)	in case of cash consideration – amount or otherwise share exchange ratio	<p>The Demerged Company is a Wholly Owned Subsidiary of the Resulting Company. Accordingly, upon the proposed draft Scheme coming into effect, no new shares will be allotted by the Resulting Company and/or no cash consideration will be discharged.</p>

f)	whether listing would be sought for the resulting entity.	<p>The equity shares of the Resulting Company are already listed on the Stock Exchanges.</p> <p>Further, the Demerged Company is a Wholly Owned Subsidiary of the Resulting Company. Accordingly, upon the proposed Scheme coming into effect, the Demerged Company shall continue as an unlisted company & will remain a Wholly Owned Subsidiary of the Resulting Company.</p>
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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH, COURT V

C.P(C.A.A) /171/MB/2024

IN

C.A(C.A. A)/44/MB/2024

In the matter of the Companies Act, 2013

And

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

And

In the matter of the Scheme of Arrangement
amongst Mukand Sumi Metal Processing
Limited and Mukand Limited and their
respective shareholders and creditors.

Mukand Sumi Metal Processing Limited

CIN: U27300MH2012PLC234000

Having its Registered Office at
3rd Floor, Bajaj Bhawan,
Jamnalal Bajaj Marg, 226, Nariman Point,
Mumbai, Maharashtra – 400021

*... Petitioner Company No. 1/ Demerged Company/
First Petitioner Company*

Mukand Limited

CIN: L99999MH1937PLC002726

Having its Registered Office at
Bajaj Bhawan, Jamnalal Bajaj Marg,
226 Nariman Point
Mumbai, Maharashtra – 400021

*... Petitioner Company No. 2/ Resulting Company/
Second Petitioner Company*

Petitioner Company No.1 and Petitioner Company



No. 2 shall be collectively referred to as “Petitioner Companies”/ “Petitioners”

Order Dated: 29.04.2025

CORAM:

HON’BLE SUSHIL MAHADEORAO KOCHEY, MEMBER (J)
HON’BLE CHARANJEET SINGH GULATI, MEMBER (T)

APPEARANCES:

For the Petitioners : Mr. Hemant Sethi, Ms. Tanaya Sethi.
For the Regional Director: Rujuta Bankar

ORDER

1. Heard the learned Counsel for the Petitioner Companies and the representative of the Regional Director Western Region, Ministry of Corporate Affairs, Mumbai. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petition.
2. The sanction of the Tribunal is sought under Sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the Scheme of Arrangement amongst Mukand Sumi Metal Processing Limited and Mukand Limited and their respective shareholders and creditors (‘Scheme’).
3. The First Petitioner Company is engaged in manufacturing, purchase, refinement, preparation, import, export, sale and generally to deal in iron & steel in all forms, and/or by products thereof. It is also engaged in the business of Stainless Steel cold finished bars & wires and treasury & investment business. The Second Petitioner Company is a multi-division, multi-product conglomerate which 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.

4. The Counsel for the Petitioner Companies submits that the proposed Scheme of Arrangement was approved unanimously by the Board of Directors of the First Petitioner Company and Second Petitioner Company on 7th February, 2024 and 8th February, 2024, respectively. A certified true copy of Board Resolution of respective Petitioner Companies approving the Scheme are annexed with Company Scheme Petition as '**Annexure E**' (Pg. 538 - 542) and '**Annexure F**' (Pg. 543-547).
5. The Appointed Date for the Scheme of Arrangement is 1st day of April 2024.
6. The registered offices of the Petitioner Companies are situated in Mumbai, Maharashtra and hence the subject matter of the Petition is within the jurisdiction of this Bench.
7. It is submitted that the joint Company Scheme Petition have been filed in consonance with the order dated 1st May, 2024 passed by this Tribunal in the connected Company Scheme Application bearing C.A.(CAA)/44(MB)/2024.
8. It is also submitted that the Petitioner Companies have complied with all requirements as per directions of this Tribunal and they have filed necessary Affidavits of compliance as on 27th June, 2024 with respect to the order dated 1st May, 2024 and on 29th October, 2024 with respect to the order delivered on 3rd October, 2024; with this Tribunal respectively. Moreover, the Petitioner



Companies undertake to comply with all the statutory requirements, if any, as may be required under the Companies Act, 2013 and the Rules made there under. The said undertaking is accepted by the Petitioner Companies.

9. The rationale and benefits of the Scheme are set out below:-

Rationale of the Scheme:

This Scheme is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the Petitioner Companies, their respective shareholders, creditors, lenders, consumers and employees. The rationale and benefits of the Scheme is enumerated herein under:

- i. The proposed Demerger will result in consolidation of Stainless Steel Cold Finished Bars and Wires Business (as defined in the Scheme) 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;*
- ii. The Scheme will enable streamlining of business processes and eliminate complexities and redundancy of transactions between the Companies;*
- iii. the Scheme will help in achieving and sustaining competitiveness and development of internal core competencies of Mukand in the long term;*
- iv. 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.*



10. The First Petitioner Company is a wholly owned subsidiary of the Second Petitioner Company. Upon coming into effect of this Scheme, no consideration shall be required to be paid/issued since the Demerged Company is a wholly owned subsidiary of the Resulting Company.
11. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai has filed its Report dated 23rd October, 2024 inter alia stating that, save and except the observations as stated in paragraph 2 of the report, this Tribunal may pass such order(s) as deemed fit and proper in the facts and merits of the case. The Petitioner Companies have filed an Affidavit in rejoinder dated 19th November, 2024 to the report filed by the Regional Director with this Tribunal providing clarification/undertakings to the observations made by the Regional Director.
12. The observations made by the Regional Director and the clarifications/undertakings given by the Petitioner Companies are summarized in the table below:

Para (2)	RD Report/Observations dated 23rd October 2024	Response of the Petitioner Companies dated 19th November, 2024.
(a)	<i>In compliance of AS-14 (IND AS-103), the Demerged Company and Resulting Company shall pass such accounting entries which are</i>	In so far as observations made in Paragraph 2 (a) is concerned the Resulting Company undertakes that in addition to compliance of AS-14 (IND AS-103), the Petitioner



	<p><i>necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.</i></p>	<p>Companies shall pass such accounting entries which are necessary in connection with the Scheme to comply with all applicable Accounting Standards such as AS-5 (IND AS-8), to the extent applicable.</p>
(b)	<p><i>As per Definition of the Scheme, “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;</i></p> <p><i>“Effective Date” shall mean the last of the dates on which all the conditions and matters as referred to in Clause 17 of the</i></p>	<p>In so far as observation made in Paragraph 2(b) Petitioner confirms that the Appointed Date for the purpose of this Scheme is 1st April,2024 and the Scheme shall take effect from the Appointed date in terms of the provisions of Section 232(6) of the Companies Act, 2013. The Company Scheme Application was filed on 22nd March, 2024. Further, the Petitioner Company undertakes to comply with the requirements clarified vide circular No.7/12/2019/CL-I dated 21st August, 2019 issued by the Ministry of Corporate Affairs.</p>



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 become effective' or 'upon this Scheme coming into effect' shall mean the Effective Date; (However the petitioner's has mentioned clause 1721 in the scheme at para 9 of definition clause in respect of effective date definition)

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



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

The Demerged Company and Resulting Company may be asked to comply with the requirements as clarified vide general circular no. 09/2019 having F.No.7112/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.



(c)	<p><i>The Demerged Company and Resulting Company have to undertake to comply with section 232 (3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee and stamp duty paid by the transferor company on its authorised capital shall be set-off against fees and stamp duty payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioners to undertake that the transferee company shall pay the difference of fees and stamp duty.</i></p>	<p>So far as the observation in paragraph 2(c) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the present case is a scheme of arrangement (demerger) and therefore the provisions of Section 232(3)(i) are not applicable in the present case.</p>
(d)	<p><i>The Hon'ble Tribunal may kindly seek the undertaking that this scheme is approved by</i></p>	<p>So far as the observation in paragraph 2(d) of the Report of the Regional Director is concerned the</p>



<p><i>the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.</i></p>	<p>Petitioner Companies submit that the vide order dated 1st May, 2024 in C.A(C.A.A)/44/2024, the Hon'ble Tribunal dispensed with the meetings of the Equity Shareholders of the First Petitioner Company on the basis of consent affidavits obtained, there are no secured creditors in the First Petitioner Company and consent affidavits of unsecured creditors amounting to 99.04% were obtained, therefore the meetings of the unsecured creditors of the First Petitioner Company were also dispensed with. The meetings of the Equity shareholders, Preference Shareholders and unsecured creditors of the Second Petitioner Company were dispensed with in view of the fact that the First Petitioner Company is a wholly owned subsidiary of the Second</p>
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		<p>Petitioner Company and that no compromise or arrangement is proposed by the Second Petitioner Company either with its shareholders or with its creditors. There are no secured creditors in the Second Petitioner Company, therefore the question of convening their meetings did not exist. A copy of the said order is marked and annexed as Annexure A to the Affidavit in Reply.</p>
(e)	<p><i>The Resulting Company shall be in compliance with provisions of Section 2(1B) of the Income Tax Act, 1961. In this regard, the Demerged Company and Resulting Company shall ensure compliance of all the</i></p>	<p>So far as the observation in paragraph 2(e) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the Petitioner Companies shall be in compliance with the provisions of Section 2(19AA) of the Income-tax Act, 1961 and all other applicable</p>



	<i>provisions of Income Tax Act and Rules thereunder;</i>	provisions of Income-tax Act, 1961 and Rules thereunder.
(f)	<i>The Hon'ble Tribunal may kindly direct the Demerged Company and Resulting Company to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and the same and there is no discrepancy, or no change is made.</i>	So far as the observation in paragraph 2(f) of the Report of the Regional Director is concerned the Petitioner Companies submit and confirm that the Scheme enclosed in the Company Application and Company Petition are one and the same and there is no discrepancy, or no change is made.



(g)	<p><i>The Demerged Company and Resulting Company shall be directed u/s 230(5) of CA, 2013 to serve notices to concerned Authorities which are likely to be affected by the present amalgamation or arrangement. Further the approval of the Scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme and the decision of such authorities shall be binding on the Demerged Company and Resulting Company.</i></p>	<p>In so far as the observation in paragraph 2(g) of the Report is concerned it is submitted that the Petitioner Companies have served notices to concerned Regulatory Authorities under Section 230(5) of the Companies Act, 2013 and had subsequently filed an Affidavit of Service dated 29th October, 2024 where to copies of the notices and acknowledgements of service have been annexed.</p>
(h)	<p><i>The Demerged Company and Resulting Company shall undertake to comply with the directions of the concerned</i></p>	<p>In so far as the observation made in paragraph 2(h) of the Report is concerned, the Petitioner Companies undertake to comply</p>



	<i>sectoral Regulatory, If so required.</i>	with directions of the concerned Sectoral Regulatory, if any.
(i)	<i>The Demerged and Resulting company shall undertake to comply with the directions of the I.T Department and GST Department, if any.</i>	In so far as the observation made in paragraph 2(i) of the Report is concerned, the Petitioner Companies undertake to comply with necessary applicable directions of the I.T. Department and GST Department, if any, in connection with the demerger.
(j)	<i>On the perusal of copy of scheme it is observed that the Petitioners has proposed reduction of securities premium in clause 14 in part IV of the scheme attached to the petition the same is brought to the kind attention of this Hon'ble Tribunal for</i>	In so far as the observation made in paragraph 2(j) of the Report is concerned the reduction in securities premium account is being done as integral part of the scheme in terms of clause 14 of the scheme.



consideration while passing order of approval for present arrangement among petitioner companies. The said clause 14 is reproduced under

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 is 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 to 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.

14.4 The Consent of Shareholder 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



	<p><i>provisions of the Act and rules and regulations framed thereunder would be required to be separately passed or taken.</i></p>	
(k)	<p><i>It is submitted that the Demerged Company and Resulting Company be directed to place on record of this Tribunal the list of assets to be demerged with complete details of its assets and valuation. However, both Demerged Company and Resulting Company may protect the interest of the creditors of both companies on the appointed date.</i></p>	<p>In so far as the observation made in Paragraph 2(k) of the Report is concerned the Petitioner Companies undertake to protect the interest of the creditors of both companies. List of assets and liabilities that are to be demerged are annexed and marked as Annexure B to the Affidavit in Reply.</p>



<p>(1)</p>	<p><i>The shares of the Resulting Company are listed with Bombay Stock Exchange (BSE) & National Stock Exchange (NSE) and the petitioners has vide their letter dated 29.07.2024 (annexed as Annexure A-1) submitted clarification that:-</i></p> <p><i>“Since Applicant Company No.1 is a wholly owned subsidiary of Applicant Company No.2. Hence, NOC is not required in terms of Regulation 37(6) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June, 2023.</i></p>	<p>In so far as the observation made in paragraph 2 (1) of the Report is concerned the Second Petitioner Company submits that both Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE) have been intimated and served copy of the scheme of arrangement after the scheme was approved by the Board of Directors It is further submitted that since the First Petitioner company is a wholly owned subsidiary of the Second Petitioner Company, NOC is not required in terms of the Regulation 37(6) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June, 2023. The letter of intimation dated 29th February, 2024 to BSE and NSE is marked and annexed as Annexure</p>
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<p><i>In terms of the aforesaid regulations, Applicant Company no.2 has intimated the approval of the Scheme by its Board of Directors which is annexed to the Company Scheme Application as Annexure V.”</i></p> <p><i>Accordingly, the above fact/clarification for not producing NoC by BSE and copy of Intimation to BSE & NSE as annexed as annexure K in Company Scheme Petition dated 29.02.2024 is annexed as Annexure A-2 as submitted by the petitioners is brought to the kind attention of this Hon’ble Tribunal for consideration and passing of appropriate order as may deems think fit.</i></p>	<p>C to the Affidavit in Reply. The Petitioner Companies further submit that they have also served notices to BSE and NSE under section 230(5) of the Companies Act, 2013 and had subsequently filed an Affidavit of Service dated 29th October, 2024 where to copies of the notices and acknowledgements of service have been annexed.</p>
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(m)	<p><i>It is observed from latest MGT-7 filed for the year ending 31.03.2023 that the Demerged Company and Resulting Company has the following corporate body shareholder having more than 10% shareholding:-</i></p>	<p>In so far as the observation made in Paragraph 2(m) of the report is concerned the Petitioner Companies submit that Form BEN-2 is not applicable as there is no individual shareholder indirectly holding majority stake in the Petitioner Companies. The Shareholding pattern of the Petitioner Companies is annexed as Annexure D1 and D2 to the Affidavit in Reply. It is further submitted that the Demerged Company is a wholly owned subsidiaries of the Resulting Company. However, the Petitioners undertake to comply with provisions of section 90 as and when applicable.</p>				
	<table border="1"> <thead> <tr> <th data-bbox="406 884 651 1444"><i>Name of the Company</i></th> <th data-bbox="651 884 746 1444"><i>Name of the Shareholder</i></th> <th data-bbox="746 884 845 1444"><i>Percentage of Shareholding (%)</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="406 1444 651 2009"><i>Mukand Sumi Metal Processing Limited (Demerged Company)</i></td> <td data-bbox="651 1444 746 2009"><i>Mukand Limited (along with</i></td> <td data-bbox="746 1444 845 2009"><i>100</i></td> </tr> </tbody> </table>		<i>Name of the Company</i>	<i>Name of the Shareholder</i>	<i>Percentage of Shareholding (%)</i>	<i>Mukand Sumi Metal Processing Limited (Demerged Company)</i>
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<i>Mukand Sumi Metal Processing Limited (Demerged Company)</i>	<i>Mukand Limited (along with</i>	<i>100</i>				



	<i>in its nom inee s)</i>	
<i>Mukand Limited (Resulting Company)</i>	<i>Jam nala l Sons Pvt. Ltd</i>	<i>19.9 2</i>
	<i>Bar oda Indu strie s Pvt. Ltd.</i>	<i>12.6 9</i>
	<i>Bac hhra j & Com</i>	<i>10.3 5</i>



	<table border="1" data-bbox="408 210 847 533"><tr><td data-bbox="408 210 651 533"></td><td data-bbox="651 210 746 533"><i>pany Pvt. Ltd</i></td><td data-bbox="746 210 847 533"></td></tr></table> <p data-bbox="395 689 855 1279"><i>Therefore, the Demerged Company and Resulting Company may be directed to clarify the compliance of section, 90 of the Companies Act, 2013 r/w rules 2A, 3 & 4 of Companies (Significant Beneficial Owners) Rules, 2018.</i></p>		<i>pany Pvt. Ltd</i>		
	<i>pany Pvt. Ltd</i>				
(n)	<p data-bbox="395 1435 855 1787"><i>In the Balance Sheet of the Demerged Company as on 31st March, 2023, Securities Premium of Rs.84,69,00,000/- respectively is showing.</i></p> <p data-bbox="395 1865 855 1984"><i>In view of the above, if agreed, Hon'ble NCLT may direct the</i></p>	<p data-bbox="866 1435 1382 1944">In so far as the observation made in Paragraph 2(n) of the report is concerned the Petitioner Companies submit that questions regarding Securities Premium was raised by the Regional Director in its query letter dated 14th May,</p>			



<p><i>petitioners to clarify that Income Tax Department has properly assessed the increase of share capital from time-to-time u/s.68 of the Income Tax Act, 1961 and payment of Income Tax by existing shareholders, if they have purchased shares at lower price than issued price from above allottees or seek the reply from Income Tax department about issue of share capital at high premium.</i></p> <p><i>It is further submitted that CBDT vide circular dated 17.03.2023 appointed the following nodal officer for income tax department for the Region of Mumbai & Goa, which is as follows;-</i></p>	<p>2024, the Petitioner Companies have given their response to the query letter vide letter dated 26th July, 2024 giving particulars of shares issue at premium, details submitted are marked and annexed as Annexure E to the Affidavit in Reply. Further during the relevant period when shares were issued at Premium there has been no addition to the income by the Income Tax department and no orders have been passed under Section 68 of the Income Tax act, 1961. Further, Petitioner Companies have served notices to Income Tax Nodal Officer under Section 230(5) of the Companies Act, 2013 and had subsequently filed an Affidavit of Service dated 29th October, 2024 where to copies of the notices and acknowledgements of service have</p>
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	<p><i>Pr.CCIT, Mumbai</i></p> <p><i>Address:- 3rd Floor, Aayakar Bhawan,</i></p> <p><i>Maharishi Karve Road,</i></p> <p><i>Mumbai-400020.</i></p> <p><i>Phone No. 022-22017654</i></p> <p><i>Emai;</i></p> <p><u>Mumbai.pccit@incometax.gov.in</u></p> <p><i>Since the issue falls under domain of Income Tax Department, the matter is flagged by the Directorate to seek comments of CCIT, Mumbai, if deems, Fit.</i></p>	<p>been annexed as Annexure E1 and E2 of the Affidavit of Service.</p>
<p>(o) (i)</p>	<p><i>That on examination of the Report of the Registrar of Companies, Mumbai dated 26.07.2024 (Annexed as Annexure A-3) that the Demerged Company and Resulting Company fall within the jurisdiction of ROC, Mumbai. It is submitted that no complaint and/ or</i></p>	<p>In so far as the observation made in Paragraph 2(o)(i) of the report is concerned the Petitioner Companies submit that the observation raised by the RoC is merely factual in nature.</p>



	<p><i>representation regarding the proposed scheme of Arrangement has been received against the Demerged Company and Resulting Company. Further, Demerged Company and Resulting Company have filed Financial Statements up to 31.03.2024 further observations in ROC report are as under:-</i></p> <p><i>i. That the ROC Mumbai in his report dated 26.07.2024 has stated that no Inquiry, inspection, investigation & prosecution is pending against the Demerged Company and Resulting Company.</i></p>	
<p>(o) (ii)</p>	<p><i>Both applicant have not filed e-form MGT-14 with this office.</i></p>	<p>In so far as the observation made in Paragraph 2(o)(ii) is concerned the Petitioner Companies confirm that e-form MGT-14 has been filed by them. A copy of acknowledgement of the same is marked and annexed</p>



		as Annexure F to the Affidavit in Reply.
(o) (iii)	<i>Transferee Company is listed, composite notice in CAA-3 is required to be issued to other sectorial regulator/authorities, if so, whether issued to them (Rule 8(iii)).</i>	In so far as the observation made in Paragraph 2(o)(iii) is concerned the Resulting Company has issued notices to BSE, NSE and SEBI, and had subsequently filed an Affidavit of Service dated 29 th October, 2024 where to copies of the notices and acknowledgements of service have been annexed.
(o) (iv)	<i>Both applicant companies are composite notice in CAA-3 is required to be issued to other sectorial regulator/authorities, if so, whether issued to them (Rule8(iii)).</i>	In so far as the observation made in Paragraph 2(o)(iv) is concerned the Resulting Company has issued notices to BSE, NSE and SEBI, and had subsequently filed an Affidavit of Service dated 29 th October, 2024 where to copies of the notices and acknowledgements of service have been annexed.



<p>(o) (v)</p>	<p><i>Authorised capital & paid-up capital of Transferee Company as per the master data which not matched with the Scheme</i></p>	<p>In so far as the observation made in Paragraph 2(o)(v) is concerned the Petitioner Companies submits that in so far as the capital structure of the Second Petitioner Company mentioned in the scheme inadvertently does not capture the details of the Preference Share Capital which is as under: -</p> <p>The capital structure of Mukand Limited as on 31st January, 2024 is as under:</p> <table border="1" data-bbox="869 1169 1369 1921"><thead><tr><th data-bbox="869 1169 1225 1462">Particulars</th><th data-bbox="1225 1169 1369 1462">Amount (INR in Cr.)</th></tr></thead><tbody><tr><td data-bbox="869 1462 1225 1644">Authorised Share Capital</td><td data-bbox="1225 1462 1369 1644"></td></tr><tr><td data-bbox="869 1644 1225 1760">18,81,00,000 Equity Shares of Rs. 10/- each</td><td data-bbox="1225 1644 1369 1760">188.10</td></tr><tr><td data-bbox="869 1760 1225 1921">5,00,000 Preference Shares of Rs. 100/- each</td><td data-bbox="1225 1760 1369 1921">5.00</td></tr></tbody></table>	Particulars	Amount (INR in Cr.)	Authorised Share Capital		18,81,00,000 Equity Shares of Rs. 10/- each	188.10	5,00,000 Preference Shares of Rs. 100/- each	5.00
Particulars	Amount (INR in Cr.)									
Authorised Share Capital										
18,81,00,000 Equity Shares of Rs. 10/- each	188.10									
5,00,000 Preference Shares of Rs. 100/- each	5.00									



		1,70,00,000	8%	17.00
		Cumulative Redeemable Preference Shares of Rs. 10/- each		
		Total		210.10
		Issued Share Capital		Amount
				(INR in Crs.)
		14,93,63,636*	Equity Shares of Rs. 10/- each	149.36
		* a) includes 28,301 equity shares which have been kept in abeyance by the Stock Exchange Authorities		
		b) 17,645 equity shares which have been forfeited by the Company		
		c) 48,22,397 equity shares which were issued as right issue but not subscribed		



		<table border="1"><tr><td>56,26,320</td><td>8%</td><td>5.63</td></tr><tr><td>Cumulative Redeemable Preference Shares of Rs. 10/- each</td><td></td><td></td></tr><tr><td>Total</td><td></td><td>154.99</td></tr></table>	56,26,320	8%	5.63	Cumulative Redeemable Preference Shares of Rs. 10/- each			Total		154.99
56,26,320	8%	5.63									
Cumulative Redeemable Preference Shares of Rs. 10/- each											
Total		154.99									
		<p>It is pertinent to note that the authorized share capital of the company as stated herein above is correct, however the master data on the MCA website does not depict the correct figures for which the Resulting Company will take necessary steps to rectify the same.</p>									
(o) (vi)	<i>Necessary Stamp Duty on transfer of property/Assets is to be paid to the respective Authorities before implementation of the Scheme.</i>	In so far as the observation made in Paragraph 2(o)(vi) is concerned the Petitioner Companies undertake to pay necessary stamp duty on transfer of property/assets if any,									



		pursuant to NCLT Order, post sanctioning of the Scheme.
(o) (vii))	<i>It is submitted that as per the provisions of section 232(3)(1) of the Companies Act, 2013 where the transferor Company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the Transferee Company on its authorized capital subsequent to the amalgamation. Therefore, remaining fee, if any after setting -off the fees already paid by the transferor company on its authorised capital has to be paid by the transferee company on the increased authorised capital subsequent to the amalgamation.</i>	In so far as the observation in paragraph 2(o)(vii) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the present case is a scheme of arrangement (demerger) and therefore the provisions of Section 232(3)(i) are not applicable in the present case.
(o) (vii i)	<i>Interest of the creditors should be protected</i>	In so far as the observation made in Paragraph 2(o)(viii) is concerned the Petitioner companies submit that vide order dated 1 st May, 2024



		<p>passed by the Hon'ble NCLT, the meetings of the creditors of the Petitioner Companies were dispensed with on the basis that there are no Secured Creditors in either of The Petitioner Companies, First Petitioner Company had obtained consent affidavits from unsecured creditors to the total value of 99.04% and that the First Petitioner Company is a wholly owned subsidiary of the Second Petitioner Company and the rights of the creditors of the Second Petitioner Company since there will be no reduction in their claims and the net-worth of the company is positive. The Petitioner Companies further undertake to that interests of its creditors will be protected under the scheme.</p>
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13. During the course of arguments, certain queries were raised to the Learned Counsel which have been noted in points 1 and 2 of the order dated 05.03.2025 and the same are reproduced below for ready reference:-

- *That there is mismatch of the capital structure as appearing in the books compared to the data given on the MCA website. The Counsel also stated that the same has been rectified and the downloaded sheet dated 15.01.2025 has been tendered across the Bar. However, the same needs to be submitted by way of an additional affidavit.*
- *The statement of assets and liabilities which are transferred are separately given in the Note-39 of the Audit Report reflected on Page No. 149 of the petition. However, the assets and liabilities which remains with the resulting company are not stated therein. The Ld. Counsel is directed to submit the same duly certified by the Chartered Accountant by way of an additional affidavit.*

Ms. Rujuta Bankar, AD on behalf of the RD submitted that they have concerns regarding the filing of BEN-2 in case of wholly-owned subsidiary and the BEN-2 form has to be filed and liberty may be kept open for them to take appropriate action in this regard even subsequent to the approval of the scheme. Further thereto Ms. Rujuta banker says that they have no observation or objection to the scheme.

14. In pursuance of order dated 5th March 2025 passed by this Bench, the Petitioners have filed additional affidavit dated 17 March 2025 which was uploaded on DMS on 18.03.2025 and have placed on record:-



(a) Downloaded sheet dated 15th January 2025 from MCA website of the records of Capital Structure of the Resulting company depicting correct capital structure.

(b) Copy of SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

15. The assets transferred by and retained with Demerged Company supported by CA certificate dated March 17, 2025 has been submitted as under:

Particulars	Assets and Liabilities in Company before Demerger (A)	Assets and Liabilities Transferred pursuant to Demerger (B)	Assets and Liabilities in Company after Demerger (A)
A. Non-Current Assets			
Property Plant Equipment	10.72	10.7	0.02
Goodwill	2.78	2.78	
Financial Assets			
-Other Financial Assets	0.10	0.10	
Non-Current Tax Assets	1.99		1.99
Deferred Tax Assets	10.25	10.25	
Total (A)	25.84	23.83	2.01
B. Current Assets			
Inventories	100.32	100.32	
Trade Receivables	29.29	29.29	
Cash and Cash Equivalents	1.70	1.13	0.57
Other Financial Assets	0.05	0.05	
Other Current Assets	14.62	14.61	0.01
Total (B)	145.98	145.40	0.58
Total Assets (A+B)	171.82	169.23	2.59
C. Non-Current Liabilities			
Other Financial Liabilities			
Long Term Provisions	0.03	0.02	0.02
Total (C)	0.03	0.02	0.02
D. Current Liabilities			
Trade Payables	94.64	94.63	0.01
Other Financial Liabilities	0.11	0.10	0.01
Other Current Liabilities	0.19	0.19	0.001



Provisions	0.01		0.01
Total (D)	94.95	94.92	0.031
Total Liabilities(C+D)	94.98	94.94	0.051

16. From the material on record, the Scheme appears to be fair and reasonable and is not in violation of any provisions of law and is not contrary to public policy.

17. The Scheme of Arrangement is hereby sanctioned, and the appointed date of the Scheme is fixed as 1st day of April 2024.

ORDER

The Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 read with section 52 and other applicable provision of Companies Act, 2013 read with Companies (Compromise, Arrangements and Amalgamation) Rules, 2016, as submitted is sanctioned with the following directions:

- a. The Demerged Company shall be dissolved without winding up;
- b. If there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit in accordance with law, against the concerned persons, directors and officials of the Petitioner Companies;
- c. While approving the Scheme, we clarify that this Order should not, in any way, be construed as an Order granting exemption from payment of stamp duty, taxes or other charges, if any, and payment in accordance with law or in respect of any permission or compliance with other requirements which may be specifically required under any law;



- d. The Income Tax Department will be at liberty to examine the aspect of any tax payable by the Companies or by the Shareholders of the Transferor Company. It shall be open to the Income Tax Authorities to take necessary action as permissible under the Income Tax Law; The decision of the Income Tax Department shall be binding on the Resulting Company even in respect of concerns relating to Demerged Company.
- e. The Petitioner Companies are directed to file a certified copy of this Order along with the Scheme duly authenticated/certified by the Deputy Registrar or the Joint Registrar or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Registrar of Companies, electronically in e-form INC-28 within 30 (thirty) days from the date of receipt of the certified copy of this Order along with the Scheme.
- f. The Petitioner Companies to lodge a copy of this Order and the Scheme duly authenticated by the Deputy Registrar or Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the Certified copy of the Order from the Registry;
- g. All the employees of the Demerged Company in service, on the date immediately preceding the date on which the Scheme takes effect i.e. the Effective Date, shall become the employees of the Resulting Company on such date, without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the concerned Demerged Company on the said date.
- h. Any proceedings now pending by or against the Demerged Company be continued by or against the Resulting Company;



- i. All the properties, rights, liabilities, duties and powers of the Demerged Company, be transferred without further act or deed, to the Resulting Company and accordingly the same shall, pursuant to Section 232 of the Companies Act, 2013, be transferred to and vest in the Resulting Company;
- j. The Petitioner Companies shall be bound by the undertaking given by them to the Regional Director, including the undertaking to protect the interest of all Creditors, and form integral part of this order.
- k. The Registrar of Companies is entitled to proceed against the Resulting Company for violation/ offences committed by Demerged Company, if any.
- l. The Regional Director may take necessary action against the petitioner companies with respect to non-filing of Form BEN-2, in accordance with law.
- m. Since all the requisite statutory compliances have been fulfilled, the present Company Petition bearing C.P.(CAA)/171/MB/2024 filed by the Petitioner Companies is made absolute in terms of prayers clause of the said Company Scheme Petition; and
- n. Any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary. Any concerned authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
- o. All concerned regulatory authorities to act on a copy of this Order duly certified by the Registry of this Tribunal, along with a copy of the Scheme.
- p. The **Company Petition C.P. (CAA) / 171 (MB) / 2024** is allowed in the above terms and is disposed of.



q. Ordered Accordingly, File be consigned to record storage (current).

SD/-

**CHARANJEET SINGH
GULATI
Member (Technical)**

//VLM//

SD/-

**SUSHIL MAHADEORAO
KOCHEY
Member (Judicial)**