NATIONAL COMPANY LAW TRIBUNAL

AHMEDABAD BENCH

(COURT NO. II)

CP(CAA)/25(AHM)2022
IN
CA(CAA)/72/(AHM)2021

(In the matter of Section 230-232 read with Section 66 of the Companies Act, 2013 read with The Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016)

In the matter of
Composite Scheme of Arrangement

BETWEEN

MAHAVIR ROLLING MILL PRIVATE LIMITED
(Petitioner Company No.1/Transferor Company No.1)

AND

MGI INDUSTRIES PRIVATE LIMITED
(Petitioner Company No.2/Transferor Company No.2)

AND

MGI TRADECOM PRIVATE LIMITED
(Petitioner Company No.3/Transferee Company/Demerged Company)

AND

MAHAVIR BIZTRADE PRIVATE LIMITED
(Petitioner Company No.4/Resulting Company)

Their Respective Shareholders and Creditors

Order Pronounced on: 17/03/2023

Coram:
DR. MADAN B. GOSAVI,
HON'BLE MEMBER (JUDICIAL)
AJAI DAS MEHROTRA
HON'BLE MEMBER (TECHNICAL)

MEMO OF PARTIES

In the matter of:
MAHAVIR ROLLING MILL PRIVATE LIMITED
(CIN: U28999GJ1992PTC018185)
Registered Office at:
2410, PHASE-4, GIDC, Vatva,
Ahmedabad-382445.

…Petitioner Company No.1/
Transferor Company No.1

MGI INDUSTRIES PRIVATE LIMITED
(CIN: U27310GJ2006PTC048707)
Registered Office at:
702 Addor Aspire, Near Jhanvi Restaurant,
Opposite Old Passport Office,
Panjrapole, Ahmedabad-380015.

…Petitioner Company No.2/
Transferor Company No.2

MGI TRADECOM PRIVATE LIMITED
(CIN: U35117GJ2012PTC070584)
Registered Office at:
702, Addor Aspire Complex Comm. Ser. Soc. Ltd.,
Addor Aspire, Near Ahmedabad-380015.

…Petitioner Company No.3/
Transferee Company/
Demerged Company

MAHAVIR BIZTRADE PRIVATE LIMITED
(CIN: U28100GJ2004PTC044637)
Registered Office at:
2410, PHASE-4, GIDC, Vatva,

Ahmedabad-382445.

…Petitioner Company No.4/
Resulting Company

For the Petitioner: Mr. Tirth Nayak, Advocate.

For the Income Tax: Ms. Pankti Shah, Advocate for Ms. Maithili Mehta, Advocate.

ORDER

1. This joint petition has been filed by the petitioner companies above named under Sections 230 and 232 read with Section 66 of the Companies Act, 2013 (for brevity 'the Act') read with the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016(for brevity "CAA Rules") seeking sanction of the Scheme of Arrangement (hereinafter called the "Scheme") between the M/s. Mahavir Rolling Mill Private Limited (for brevity referred to as "Transferor Company No. 1" or 'MRPL') and M/s. MGI Industries Private Limited (for brevity referred to as "Transferor Company No. 2" or 'MIPL') and M/s. MGI Tradecom Private Limited (for brevity referred to as "Petitioner Company No.3/ Transferee Company/ Demerged Company" or 'MTPL') and M/s. Mahavir Biztrade Private Limited (for brevity referred to as "Resulting Company" or 'MBPL') and their respective shareholders and creditors.

2. As per the Composite Scheme of Arrangement, the Transferor company No.1 and Transferor Company No. 2 which primarily undertake the business of manufacturing, trading and supply of ferrous and non-ferrous metal products and has also made investments in various assets, including movable and immovable assets, are being merged into the Petitioner Company No. 3/Transferee Company/Demerged Company. Thereafter, the manufacturing and trading of the said metal business being the Demerged Undertaking is being demerged, transferred, and vested out of the Demerged Company transferee company, the petitioner company no. 3, into the Resulting Company. Accordingly, pursuant to the said Composite Scheme of Arrangement the investment business and the metal business of the Petitioner Companies is being segregated into separate companies being Petitioner No. 3/ Transferee Company/Demerged Company and the Petitioner Company No. 4/ Resulting Company, respectively.
3. From the records, it is seen that the first motion application seeking directions for convening/dispensing of the meeting of the Equity Shareholders, secured and unsecured creditors of the Petitioner Companies was allowed vide order dated 17.11.2021, directing meetings to be convened on 27.12.2021. Chairperson's report prepared on 31.12.2021 is filed on 04.01.2022.
4. IA/16(AHM)2022, was filed by the petitioner companies, seeking dispensation of holding the meeting of secured creditors of transferor

company no. 1, which was allowed and disposed of with direction and permitted to convene the meeting on 02.03.2022 at 10:30 am at Address-1301, Addor Aspire, Near Jhanvi Restaurant University, Panjrapole Cross Road, Ahmedabad-380015 for considering the composite scheme of Arrangement. Chairperson's report prepared on 04.03.2022 is filed on 07.03.2022 and second motion petition is filed on 14.03.2022.

5. The second motion joint petition being CP (CAA) No. 25 of 2022 was admitted vide order dated 06.04.2022, issuing Notices to the concerned statutory authorities and also directing publication in the newspapers "Business Standard", Ahmedabad Edition in English language and "Navgujarat Samay", Ahmedabad Edition in Gujarati language, having circulation in Gujarat. The Petitioner Companies have filed their respective compliance affidavits.

6. The Regional Director, North Western Region, MCA has filed common report on 21.04.2022 for all the petitioner companies along with the report of ROC, Ahmedabad seeking following directions:

   i) The petitioner companies to undertake the compliance of Section 232(3)(i) of the Companies Act, 2013 and to pay the fees accordingly.

   ii) The petitioner resulting company to comply with the provisions of Section 61 of the Companies Act, 2013 and also as to the

payment of stamp duty, registration fees, etc. and file the relevant e-form with respective Registrar of Companies.

iii) The petitioner companies may not be allowed to transfer authorized capital of demerged company to the authorized capital of resulting company.

iv) The transferee company to place on record all relevant facts of the matter in respect of secured creditors of transferor company no. 1.

v) The resulting and demerged companies to place on record justification for clause regarding change of their name and comply with relevant provisions of Companies Act, name availability guidelines and ensure the payment of applicable fees/charges for alteration of their name.

vi) The Resulting Company to comply with the provisions of Section 61 r/w Section 64 of the Companies Act, 2013 and file necessary e-form to increase its authorised Capital under the MCA portal along with the payment of Fee/Additional Fee and necessary Stamp Fee as applicable.

vii) The Resulting Company and Demerged Company to comply with the procedure laid down under the provisions of Section 13 read with Section 4 of the Companies Act, 2013 and Rules made thereunder and file relevant e-forms for change of name with MCA along with requisite fees/additional fees.

viii) The Petitioner Companies to pay legal fees/cost to the Central Government.

ix) The Transferor Company No. 1 to place on record and to comply with provisions of Section 77 of Companies Act, 2013 r/w Rule 3 of Companies (Register of Charge) Rules, 2013.

7. The Official Liquidator, attached with the Hon'ble High Court of Gujarat has filed common observations dated 23.05.2022, for the petitioner transferor company 1 and 2 and seeking directions as follows:

i) The transferor company no. 1 to ensure all statutory compliances to be made by the company under the provisions of Companies Act, 2013 upto 31.03.2022.

ii) The transferor company no. 2 to ensure all statutory compliances to be made by the company under the provisions of Companies Act, 2013 upto 31.03.2022.

iii) The petitioner companies to ensure compliance of Sub-Section (3)(g) of Section 232 of the Companies Act, 2013.

iv) The transferor companies to preserve its books of accounts, papers, and records and not to dispose them without prior permission of the Central Govt. as per the provisions of the section 239 of the Companies Act, 2013.

v) The transferor company to ensure Statutory Compliance of all applicable laws and also on sanctioning of the present Scheme, the

Transferor Company shall not be absolved from any of its Statutory liability, in any manner.

vi) The transferee company to pay such cost and expenses to the office of the official liquidator for the transferor companies, or any such amount as may be considered appropriate by the Bench.

vii) The petitioner companies to lodge a certified copy of order along with the Scheme, with the concerned superintendent of stamp duty for determination of stamp duty payable, if any.

8. The Income Tax Department filed its report on 08.08.2022 for the petitioner company no. 3 and petitioner company no. 4 and stated that there is no demand outstanding and also that there are no other proceedings pending against the petitioner company no. 3 and petitioner company no. 4 and their office has no objection for approved of the scheme.

9. The Income Tax Department filed its report on 11.05.2022 and 13.05.2022 for the petitioner company no. 1 and petitioner company no. 2 and stated as follows:

i) There is an outstanding amount of Rs. 3530/- in respect of petitioner company no. 1 and the same may be considered before finalising the issue.

ii) There is no outstanding demand is pending against petitioner company no. 2.

10. The petitioner companies have filed a common affidavit in reply on 04.08.2022, to the observations of Regional Director, RoC, Official Liquidator and Income Tax Department. The submission made in above stated reply are as follows:

i) The petitioner companies gave undertaking to comply the provisions of the section 232(3)(i) of the Companies Act, 2013.

ii) The petitioner companies gave undertaking to pay the necessary fees, stamp duty, registration fees, if any.

iii) The petitioner companies gave undertaking to pay the necessary legal fees/costs to the central government.

iv) The petitioner company no. 1 has 2 secured creditors one of them being Kotak Mahindra Prime Limited. However, the asset mortgaged towards repayment of the said loan is a personal asset of the Directors and therefore, there is no requirement of creating of a charge in respect of the same. Therefore, the objection raised by the RoC is not tenable.

v) The petitioner companies shall comply with all statutory compliances as required by law even after the composite scheme of Arrangement is made effective including but not limited to maintaining the records of the transferor company as required under law.

vi) The objection raised by the concern of department with respect to the petitioner companies is that they may not be allowed to transfer authorized capital of demerged company to the authorized capital of resulting company. In this regard, petitioner companies relied and filed the copy of the judgement passed by the Hon'ble High Court of Gujarat in the case of Elitecore Technologies Private Limited …Petitioner(s) Versus - …Respondent(s) (Company Petition No. 56 of 2012 in Company Application No. 131 of 2012 with Company Petition No. 57 of 2012 in Company Application No. 132 of 2012), relevant paragraph of this is judgement reproduced hereunder:

> *"…It is submitted that it is now established and accepted in a number of cases by various High Courts and this Court that the principle of Single Window Clearance permits all other formal requirements of the Companies Act, such as approval of change of objects or any other alteration of the Memorandum of Association and all other consequential or incidental changes required for implementing the Scheme, to be formalized in a single petition. It is further submitted that there is no requirement of paying registration fees and stamp duty, as the Demerged Company has already paid the requisite registration fees and stamp duty payable under the Statute. Having once duly paid the amounts on periodic increases in share capital, further duty and charges*

cannot be levied when part of the same share capital becomes the share capital of the Resulting Company by effect of law. In support of this submission, reliance has been placed upon the following judgments:

(i) Bazley Finvest Ltd., In re, reported in [2005] 64 SCL 480 (GUJ).

(ii) Alchemist Ltd. and Alchemist Foods Ltd., In re, reported in [2010] 160 Company Cases 469 (Delhi)

(iii) Aegis Healthcare Private Limited, In re, reported in [2008] 146 Company Cases 53 (Guj.)

(iv) Ashim Investment Co. Ltd., In re, reported in [2007] 138 Company Cases 89 (Delhi)

13. Mr.P.S.Champaneri, learned Assistant Solicitor General of India has submitted that the judgments in Bazley Finvest Ltd. and Aegis Healthcare Private Limited (Supra.), have been rendered in cases of amalgamation, whereas the present case is that of demerger.

14.No other contentions have been raised by way of pleading or oral submissions before this Court.

15. Having heard the learned counsel for the respective parties and upon consideration of the submissions made by them and the judgments cited at the Bar, this Court is of the considered view that none of the objections raised by the Regional Director are sustainable. Though the judgments in Bazley Finvest Ltd. and Aegis Healthcare Private Limited (Supra.), have been rendered in cases of amalgamation, however, the judgments in the cases of Alchemist Ltd. and Alchemist Foods Ltd. and Ashim

Investment Co. Ltd. (Supra), are in the cases of demerger. Moreover, in Bazley Finvest Ltd. (Supra.), this Court has approved the ratio in the case of Ashim Investment Co. Ltd. (Supra), which is a case of demerger. The principle of law laid down by the Courts in these judgments, namely that Section-391 is a complete code and the principle of Single Window Clearance permits all other formal requirements of the Companies Act, required for implementing the Scheme to be formalized in a single petition would, in the view of this Court, apply to cases of demerger as well as amalgamation.

15. In view of the above, this Court is satisfied that the Scheme of Arrangement would be in the interest of the Companies and their members and creditors and the prayers in terms of para 20 of the Company Petition No.56 of 2012 and para 19 of Company Petition No.57 of 2012 are hereby granted.

16. The petitions are disposed of, accordingly. So far as the costs to be paid to the Learned Central Government Counsel are concerned, the same are quantified at Rs.7,500/- per petition. The same may be paid to Shri P. S. Champaneri, learned Assistant Solicitor General of India."

vii) The petitioner companies undertake to pay the requisite expenses towards cost of proceedings and related office expenses to the Official Liquidator.

viii) The demand of Rs. 3530/- raised by the Income Tax Department for the petitioner company no. 1 has been paid by the petitioner company on 30.04.2022. The e-challan showing payment is attached with the affidavit. Accordingly, no demand towards dues of the income tax department remains pending as on date.

ix) The petitioner companies shall comply with all requisite procedures and laws as may be prescribed and required.

11. IA 10 of 2023 was filed by the petitioner companies for the amendment in para 1.1.2 of the proposed scheme of arrangement i.e., amendment in the Appointed Date, which was allowed vide order dated 15.02.2023 and said amended scheme is filed on 28.02.2023.

12. Heard submissions and perused documents placed on record. Approval is accorded by the members and creditors of the Petitioner Companies to the proposed Scheme. No objection to the scheme has been given by the Income Tax Department. No adverse comment has been given by the Official Liquidator in his report. Against the objection raised by the RD in its report, the petitioner companies relied on the judgement of the Hon'ble High Court of Gujarat in the case of Elitecore Technologies Private Limited cited (supra), which satisfies the objections of the RD, It appears that the requirements of the provisions of section 230 and 232 are satisfied by the petitioner companies. It seems that the proposed Scheme of

Arrangement is bona fide and in the interest of the shareholders and creditors. Therefore, petition is allowed and the Scheme envisaging arrangement between M/s. Mahavir Rolling Mill Private Limited and M/s. MGI Industries Private Limited and M/s. MGI Tradecom Private Limited with M/s. Mahavir Biztrade Private Limited (the Transferee Company) is hereby sanctioned. It is declared that the said sanctioned scheme shall be binding on the petitioner companies and their shareholders, creditors and all concerned under the scheme.

13. Notwithstanding the above, if any deficiency is found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal to the scheme will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the Petitioners.

14. While approving the Scheme as above, we further clarify that this order should not be construed as an order in any manner granting exemption from payment of stamp duty, or taxes including income tax, GST etc., or any other charges or payment in accordance with law, or any kind of waiver in respect of any permission/compliance with any other requirement which may be specifically required under any law.

15. **The Scheme is sanctioned with following directions:**

i. The Scheme of Arrangement as annexed herewith as "Annexure A" is hereby sanctioned and it is declared that the same shall be binding

on the Petitioner Companies and their Shareholders and Creditors and all concerned under the Scheme.

ii. It is declared that the Transferor Company No. 1 & 2 shall be dissolved without winding up.

iii. The Demerged undertaking shall, together with all its property, rights and powers be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 232 of the Act, stand transferred to and vest in the Resulting Company for all the estate and interest of the Demerged Undertaking.

iv. All the properties mentioned in schedule as "Annexure B", right, title and interest of the Transferor Company No. 1 & 2 specified in the schedule hereto and all the other property, rights and powers of the Transferor Company No. 1 & 2 be transferred without any further act or deed to the Transferee Company and accordingly the same shall, pursuant to Section 232 of the Act, vest in the Transferee Company for all the estate and interest of the Transferor Company No. 1 & 2, therein but subject nevertheless to all charges now affecting the same, if any.

v. All licenses, permissions, permits, quotes, approvals, certificates, clearances, authorities, leases, tenancy, assignments, rights, claims, liberties, special status, other benefits or privileges and any power of attorney relating to the Transferor Companies stand transferred to and vested in the Transferee Company in accordance with the

Scheme, without any further act or deed and be in full force and effect in favour of the Transferee Company as if the same were originally given to, issued to or executed in favour of the Transferee Company. The Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company and all licenses, permissions, permits, approvals, certificates, clearances, authorities, leases, tenancy, assignments, rights, claims, liberties, special status, other benefits or privileges and any power of attorney relating to the Demerged Undertaking of the Demerged Company shall stand transferred to and vested in the Resulting Company, without any further act or deed. The Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company.

vi. All the debts, liabilities, duties and obligations of all the Transferor Companies be transferred without further act or deed to the Transferee Company in accordance with the Scheme and accordingly the same shall pursuant to Section 232 of the Act, be transferred to and become the liabilities and duties of the Transferee Company as per the Scheme and all the debts, liabilities, duties and obligations of the Demerged Undertaking of the Demerged Company be transferred, without further

act or deed, to the Resulting Company and accordingly the same shall pursuant to Sections 230 & 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Resulting Company.

vii. All contracts, agreements, undertakings, insurance policies, bonds and all other instruments of whatsoever nature or description, of all the Transferor Companies which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company in accordance with the Scheme and be in full force and effect in favour of the Transferee Company as the case may be and may be enforced by or against it as fully and effectually as if, instead of the Transferor Companies, the Transferee Company as the case may be had been a party or beneficiary or obliged thereto and all contracts, agreements, insurance policies, bonds and all other instruments of whatsoever nature or description, of the Demerged Undertaking of the Demerged Company, shall stand transferred to and vested in the Resulting Company and be in full force and effect in favour of the Resulting Company and may be enforced by or against it as fully and effectually against the Resulting Company.

viii. All taxes paid or payable by all the Transferor Companies and all existing and future incentives, un-availed credits and exemption, benefit of carried forward losses and other statutory benefits, to

which the Transferor companies is entitled to shall be available to and vest in the Transferee Company in accordance with the Scheme and all taxes paid or payable by the Demerged Undertaking of the Demerged Company including existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, to which shall be available to and vest in the Resulting Company.

ix. Upon the effectiveness of the Scheme, in consideration of the amalgamation of and vesting of MRPL with and into MTPL and in terms of the Scheme, MTPL shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of MRPL, (whose names are registered in the Register of Members of MRPL, or his/her/its legal heirs, executors, or administrators or, as the case may be, successors), Equity Shares of face value Rs. 10/- (Rupees Ten) each credited as fully paid up of MTPL. in the ratio of 1 (One) Equity Share of the face value of Rs. 10- (Rupees Ten) each of MTPL for every 1 equity shares of Rs. 10/- (Rupees Ten) each of MRPL credited as fully paid-up held by such equity shareholders or their respective legal heirs, executors, or administrators or, as the case may be, successors in MRPL.

Upon the effectiveness of the Scheme, in consideration of the amalgamation of and vesting of MIPL with and into MTPL and in terms

of the Scheme, MTPL shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of MIPL, (whose names are registered in the Register of Members of MIPL, or his/her/its legal heirs, executors or administrators or, as the case may be, successors), Equity Shares of face value Rs. 10/- (Rupees Ten) each credited as fully paid up of MTPL in the ratio of 9 (Nine) Equity Share of the face value of Rs. 10/- (Rupees Ten) each of MTPL for every 4 (Four) equity shares of Rs. 10/- (Rupees Ten) each of MIPL credited as fully paid-up held by such equity shareholders or their respective legal heirs, executors, or administrators or, as the case may be, successors in MIPL.

(Equity Shares to be issued by MTPI as above in Clause 7.1.1 and 7.1.2 are referred to as "New Equity Shares")

The New Equity Shares to be issued to the members of MRPL and MIPL as per clause 7.1.1 and 7.1.2 above respectively, shall be subject to the Memorandum of Association and Articles of Association of MTPL. The New Equity Shares shall rank *pari-passu* in all respects, including dividend, with the existing equity shares of the MTPL.

Any fraction arising on issue of shares as above will be rounded off to the nearest integer. A fraction less than half shall be rounded to the nearest lower integer and a fraction of half or more shall be rounded up to the nearest higher integer.

x. Further, as per the clause 20.2 of the Scheme- Authorised, issued & paid-up equity share capital of, the Resulting Company:

Upon the Scheme being effective and in consideration of the transfer of and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company in terms of the scheme, all the equity shareholders of the Demerged Company shall become entitled to 58 (Fifty-Eight) equity shares of Rs.10/- each of the Resulting Company against every 100 (Hundred equity share of Rs. 10/- each held by him in the Demerged company, without changing his respective proportion of shareholding in the Demerged Company and the Resulting Company.

Therefore, on the scheme being effective, the Resulting Company shall offer and issue 58 (Fifty-Eight equity shares of Rs. 10/- (Rupees Ten Only) each to the shareholders of the demerged company, as a result of which the paid-up share capital of the Resulting Company shall be increased by Rs. 3,29,33,710/- (Rupees Three Crores Twenty-Nine Lakhs Thirty-Three Thousands Seven Hundred Ten Only), which shall stand credited as fully paid-up share capital of the Resulting Company. Upon the Scheme being effective and after allotment of Rs. 3,29,33,710/- (Rupees Three Crores Twenty-Nine Lakhs Thirty-Three Thousand Seven Hundred Ten Only) divided in to 32,93,371 (Thirty-Two Lakhs Ninety-Three Thousand Three Hundred Seventy-One)

equity shares of Rs.10/- each, the issued, subscribed, and paid-up capital of Resulting Company shall automatically stand increased from Rs. 1,00,000/- (Rupees One Lakhs Only) divided into 10,000 (Ten Thousand) equity shares of Rs. 10/- each to Rs. 3,30,33,710 /- (Rupees Three Crores Thirty Lakhs Thirty-Three Thousand Seven Hundred Ten Only) divided into 33,03,371 (Thirty-Three Lakhs Three Thousands Three Hundred Seventy One) equity shares of Rs. 10/- each.

Upon coming into effect of this Scheme, the authorized share capital of the Resulting Company shall, without any further act, deed, or compliance of any section under the Companies Act, 2013 or the rules made there-under as may be applicable in this regard and transfer of 35,50,000 (Thirty-Five Lakhs Fifty Thousand) equity shares of Rs. 10/- each out of the authorized share capital of the demerged company, be increased from Rs. 1,00,000/- (Rupees One Lakhs Only) divided into 10,000(Ten Thousand only) equity shares of Rs. 10/- each to Rs. 3,56,00,000/- (Rupees Three Crores Fifty-Six Lakhs Only) divided into 35,60,000 (Thirty-Five Lakhs Sixty Thousand) equity shares of Rs. 10/- each.

xi. All proceedings, if any, now pending by or against the Transferor Company No. 1 & 2 be continued by or against the Transferee Company and all proceedings now pending by or against the Demerged

Undertaking of the Demerged Company shall be continued by or against the Resulting Company.

xii. All workers / employees of all the Transferor Company No. 1 & 2 shall be deemed to become the workers /employees of the Transferee Company with effect from the Appointed Date, and shall stand absorbed in the Transferee Company in accordance with the Scheme without any interruption of service and on terms and conditions no less favourable than those on which they are engaged by the Transferor Company No. 1 & 2, as on the Effective Date and all employees in the service of the Demerged Undertaking of the Demerged Company shall be deemed to have become the employees and the staff of the Resulting Company on date on which the scheme finally takes effect on the basis that their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer and on term and conditions no less favourable than those on which they were / are engaged, as on the Effective Date.

xiii. The Petitioner companies within thirty days of the date of receipt of this order, cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the entire Undertaking of the Transferor Company No. 1 & 2 shall stand transferred to the Transferee Company and the Registrar of Companies shall place all documents relating to the Transferor

Company No. 1 & 2 to the file kept by him in relation to the Transferee Company and the files relating to the said two companies shall be treated accordingly.

xiv. All concerned Authorities to act on copy of this order along with the Scheme authenticated by the Registrar of this Tribunal who shall issue the certified copy of this order along with the Scheme immediately.

xv. The Petitioner Companies are directed to lodge a copy of this Order and the approved Scheme attached as annexure-A and Schedule of Assets of the Transferor Company No. 1 & 2 attached as Annexure-B with this order, duly authenticated by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, within 60 days from the date of the Order.

xvi. The Petitioner Companies are further directed to file a copy of this order along with the copy of the Scheme with the concerned Registrar of Companies, electronically, along with e-form INC-28 in addition to physical copy within 30 days from the date of issuance of the certified copy of the Order by the Registry as per relevant provisions of the Act.

xvii. The legal fees and expenses of the office of the Regional Director are quantified at Rs.10,000/-in respect of both the petitioner companies. The said fees to the Regional Director shall be paid by the Transferee Company.

xviii. The legal fees and expenses of the office of the Official Liquidator are quantified at Rs.10,000/- in respect of the Transferor Company No. 1 & 2. The said fees to the Official Liquidator shall be paid by the Transferee Company.

16. Any person aggrieved shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.

17. The Company Petition CP(CAA)/25(AHM)2022 in CA(CAA)/72/(AHM)2021 is disposed of, in terms of the above order.

-SD-
AJAI DAS MEHROTRA
MEMBER (TECHNICAL)

-SD-
DR. MADAN B. GOSAVI
MEMBER (JUDICIAL)

Abhishek Singh

Annexure-A

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

MAHAVIR ROLLING MILL PRIVATE LIMITED

(TRANSFEROR COMPANY NO. 1)

AND

MGI INDUSTRIES PRIVATE LIMITED

(TRANSFEROR COMPANY NO. 2)

(TRANSFEROR COMPANY NO. 1 AND TRANSFEROR COMPANY NO. 1 AND TRANSFEROR COMPANY NO. 2 ARE COLLECTIVELY REFERRED AS THE TRANSFEROR COMPANIES)

AND

MGI TRADECOM PRIVATE LIMITED

(TRANSFEREE COMPANY/DEMERGED COMPANY)

AND

MAHAVIR BIZTRADE PRIVATE LIMITED

(RESULTING COMPANY)

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Mahavir Rolling Mill Pvt. Ltd. Ahmedabad 382445. Phase-IV, GIDC, India

MGI INDUSTRIES PVT. LTD.

MAHAVIR BIZTRADE PRIVATE LIMITED

MGI TRADECOM PRIVATE LIMITED

PREAMBLE

A. Description Of Companies

i. Mahavir Rolling Mill Private Limited (hereinafter referred to as "MRPL"/"Transferor Company No.1"), a Non-government company incorporated under the Companies Act, 1956 and now governed under the Companies Act, 2013 (CIN: U28999GJ1992PTC018185) and having its Registered Office at 2410, PHASE-4, GIDC, Vatva, Ahmedabad-382445 and primarily engaged in the business of manufacturing and supply of ferrous and nonferrous metal products and has also made investments in various assets including movable and immovable assets.

ii. M G I Industries Private Limited (hereinafter referred to as "MIPL"/"Transferor Company No.2"), a Non-government company incorporated under the Companies Act, 1956 and now governed under the Companies Act, 2013 (CIN: U27310GJ2006PTC048707) and having its Registered Office at 702 Addor Aspire, Near Jhanvi Restaurant, Opposite Old Passport Office, Panjrapole, Ahmedabad 380015 and primarily engaged in trading and supply of ferrous metals, and has made investments in various assets including movable and immovable assets.

iii. MGI Tradecom Private Limited (hereinafter referred to as "MTPL"/ "Transferee Company"/ "Demerged Company"), a Non-government company incorporated under the Companies Act, 1956 and now governed under the Companies Act, 2013 (CIN:U35117GJ2012PTC070584) and having its Registered Office at 702, Addor Aspire Complex Comm. Ser. Soc. Ltd., Addor Aspire, Near Ahmedabad-380015 and primarily engaged in the business of supply of metals

iv. Mahavir Biztrade Private Limited(hereinafter referred to as "MBPL"/ "Resulting Company), a Non-government company incorporated under the Companies Act, 1956 and now governed under the Companies Act, 2013 (CIN: U28100GJ2004PTC044637) and having its Registered Office at 2410, Phase-IV, GIDC, Vatva, Ahmedabad-382445and primarily engaged in the business toprovide, commercialize, trade, develop, establish, handle, operate, promote, service, supervise and to act as agent, concessionaires, consultants or deal in all types reusable materials through recycling operations including cutting, shaping, polishing by abrasion or metal coating or in recycling various metals extracted or imported

B. Rationale and Purpose of Scheme of Arrangement

(i) "Transferor Companies are inter alia in the business of metal products and making investments. Pursuant to this Composite Scheme of Arrangement the Transferor Companies are being merged into the Transferee Company/Demerged Company. Thereafter, the Demerged Undertaking of the Demerged Company being the Metal manufacturing undertaking is being demerged, transferred and vested out of the Demerged Company into the Resulting Company.

(ii) The above undertakings have a differentiated strategy, different industry specific risks and operate inter alia under different market dynamics and growth trajectory. The nature and competition involved in each of the businesses is distinct from the others and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.

(iii) The transfer and vesting of the Demerged Undertaking (Metal Manufacturing Undertaking) from the Demerged Company to the Resulting Company, pursuant to this Scheme would, inter alia, result in the following benefits for the Demerged Company, and the Resulting Company/ Transferee Company:

(a) The proposed Composite Scheme of Arrangement between the Applicant Companies shall help in achieving efficiency of operations and management and with the intent of re-aligning business operations undertaken by the Demerged Company and the Resulting Company.

(b) Streamlining business activities as the companies are presently carrying on different kind of businesses, each of which require different investment, strategy and resources.

(c) Segregation in the business which would enable independent business opportunities, attract different sets of Investors, Strategic Partners, Lenders and other stakeholders and would bring about synergy of operations and greater internal control on each business process in decision making.

(d) Create synergies in operational process and efficiencies by reducing the time to market the benefiting customers as well as optimization of operation and capital expenditure.

(e) Increase competitive strength, cost reduction and efficiencies, productivity gains by, efficient managerial and technical resources, personnel capabilities, skills, expertise and technologies thereby significantly contributing to future growth.

(f) TheResulting Company intends to concentrate on strengthening its core competencies and focus to create more value for the Metal Business.

In view of the aforesaid advantages, the Board of Directors of the aforesaid companies have considered and proposed Composite Scheme of Arrangement under the provisions of Section 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 and the rules framed by the Central Government under the Companies Act, 2013, as may be applicable to the companies.

C. Treatment of the Scheme for the purpose of the Income Tax Act, 1961:

This Scheme has been drawn up to company with the conditions relating to "Amalgamation" as specified under Section 2(1B) and "Demerger" as specified under Section 2 (19AA) of the Income Tax Act, 1961. If any of the terms or provisions of the Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(1B) and 2(19AA) of the Income Tax Act, 1961 at a later date including resulting from and amendment of law or for any other reason whatsoever, the provisions of the

Section 2(1B) and 2(19AA) of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) and 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

D. Parts of the scheme

The scheme of arrangement is divided into following parts:

PART A deals with the introduction, definitions, interpretation and share capital;

PART B deals with amalgamation of MRPL and MIPL into MTPL;

PART C deals with demerger and transfer ofMetal Manufacturing Undertaking of MTPL into MBPL;

PART D deals with other terms and conditions

Mahavir Rolling Mill Pvt. Ltd. Ahmedabad 382445. Phase-IV, G.I.D.C. Vatva

M G I INDUSTRIES PVT. LTD.

MAHAVIR BIZTRADE PRIVATE LIMITED

MGI TRADEFIN PRIVATE LIMITED

PART A –DEFINITIONS AND SHARE CAPITAL

1.1 DEFINITIONS

In this scheme, unless inconsistent with the subject or the context thereof, the following expressions hereunder shall have the following meanings:

1.1.1 **"Act"** means the Companies Act, 2013 and read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and shall include any statutory modifications, re-enactments or amendments thereof as may be applicable from time to time and the rules and regulations framed there under by the Central Government;

1.1.2 **"Appointed Date"** means April 1, 2023 or such other date as may be agreed by the Boards of Directors of the Applicant Companies and be fixed or approved by the NCLT;

1.1.3 **"Appropriate Authority"** means:

i. the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof;

ii. any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and

iii. any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing, exporting or other governmental or quasi-governmental authority;

1.1.4 **"Board" or "Board of Directors"** means the Board of Directors of MRPL, MIPL, MTPL and MBPL as the context may require and includes a committee or sub-committee duly constituted and authorized thereby for the purpose of matters pertaining to the Scheme and / or any other consequential or incidental matter in relation thereto;

"Demerged Company"/"Transferee Company" means MGI Tradecom Private Limited, a Non-government company incorporated under the Companies Act, 1956 and now governed under the Companies Act, 2013 (CIN: U35117GJ2012PTC070584 and having its Registered Office at 702, Addor Aspire Complex Comm. Ser. Soc. Ltd., Addor Aspire, Near Ahmedabad-380015.

1.1.6 **"Demerged Undertaking"/ "Metal Manufacturing Undertaking"** shall mean the business, division and undertaking pertaining to the business of metal including alloy steels, stainless and all other special steels, iron, brass, copper, aluminum, and other ferrous and non-ferrous metals, alloys and products, articles of the demerged company on the going concern basis, situated at 2410, PHASE-4, GIDC, Vatva, Ahmedabad-382445, including all the properties, as described in Schedule I whether moveable or immovable leasehold or freehold, tangible or intangible, including all the fixed assets, capital work in progress, leasehold improvements, building, plant & machinery, equipment, brands, investments and other IP rights, vehicles, furniture, fixture office

equipment, computer, installations, electrical appliances, accessories, investments of the Demerged Undertaking, as briefly listed out in Schedule I.

- All liabilities present and future and the specific contingent liabilities pertaining to or relatable to the Demerged Undertaking.
- All rights and licenses, all assignments and grants thereof, all permits, registrations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), approvals, regulatory approvals, authorizations, entitlements, goodwill, Trade Mark, BIS, ISI, copyright, cash balances, bank balances, bank accounts, receivables, loans and advances, tax credits in respect of tax deducted at source, input credit, etc, privileges, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, inventory, right to use and avail of telephones, and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking.
- All books, records, files, papers, directly or indirectly relating to the Demerged Undertaking.

1.1.7 "**Effective Date**" shall mean the date on which the Certified Copy of the Order sanctioning the scheme of arrangement passed by Hon'ble National Company Law Tribunal is filed with the Registrar of Companies, Ahmedabad and references in this Scheme to the date of "coming into effect of this Scheme" of "effectiveness of this Scheme" shall mean the Effective Date;

1.1.8 **"Encumbrance"** means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term "Encumber" shall be construed accordingly;

1.1.9 **"Remaining business of the Demerged Company"**means all the undertakings, businesses, activities and operations of the Demerged company other than which pertains toDemerged Undertaking of the Demerged Company.

1.1.10 "**Resulting Company**" shall mean Mahavir Biztrade Private Limited(hereinafter referred to as "MBPL"/ "Resulting Company), a Non-government company incorporated under the Companies Act, 1956 and now governed under the Companies Act, 2013 (CIN: U28100GJ2004PTC044637) and having its Registered Office at 2410, PHASE-4, GIDC, Vatva, Ahmedabad-382445

1.1.11 "**Scheme**" shall mean this composite scheme of arrangement, amalgamation &demerger of the undertakings of the Companies in its present form and/or with any amendment or modification(s) approved, directed or imposed by the Hon'ble NCLT;

1.1.12 **"Transferor Company No. 1"** shall mean Mahavir Rolling Mill Private Limited, a Non-government company incorporated under the Companies Act, 1956 and now governed under the Companies Act, 2013 (CIN: U28999GJ1992PTC018185) and having its Registered Office at 2410, PHASE-4, GIDC, Vatva, Ahmedabad 382445;

1.1.13 **"Transferor Company No. 2"** shall mean M G I Industries Private Limited, a Non-government company incorporated under the Companies Act, 1956 and now governed under the Companies Act, 2013 (CIN: U27310GJ2006PTC048707) and having its Registered Office at 702 Addor Aspire, Near Jhanvi Restaurant, Opposite Old Passport Office, Panjrapole, Ahmedabad 380015;

1.1.14 **"Transferor Companies"**means collectively the Transferor Company No. 1 and The Transferor Company No. 2.

1.1.15 **"Transfereecompany/Demerged Company"**shall mean MGI Tradecom Private Limited, a Non-government company incorporated under the Companies Act, 1956 and now governed under the Companies Act, 2013 (CIN: U35117GJ2012PTC07058) and having its Registered Office at 702 AddorAspireComplex Comm. Ser. Soc. Ltd., Addor Aspire, Near JahanveeRoad Univesity, Ahmedabad-380015;

1.1.16 **"Tribunal" or "NCLT"**means the National Company Law Tribunal ("NCLT") and the National Company Law Appellate Tribunal ("NCLAT") as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act having jurisdiction over the Transferor Company 1, Transferor Company 2, Transferee Company/Demerged Company and the Resulting Company, from time to time.

1.1.17 **"Parties"** means collectively the Transferor Company No.1, Transferor Company No. 2, Demerged Company/Transferee Company and the Resulting Company and "Party" shall mean each of them, individually;

1.2 INTERPRETATION

1.2.1 All terms and words 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, 1961 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Competent Authority in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of the Competent Authority under the Act and/or rules made thereunder.

1.2.2 In this Scheme, unless the context otherwise requires:

References to "Clauses", "Parts" and "Sections", unless otherwise stated, are references to clauses, parts and sections of this Schemes;

The headings herein shall not affect the construction of this Scheme;

1.2.3 The singular shall include the plural and vice versa; and references to one gender include all genders;

(i) references to "Clauses", "Parts" and "Sections", unless otherwise stated, are references to clauses, parts and sections of this Schemes;

(ii) the headings herein are inserted for ease of reference only and shall not affect the construction of this Scheme;

(iii) the words in the singular shall include the plural and vice versa;

(iv) and references to one gender include all genders;

(v) Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed without limitation.

1.3 SHARE CAPITAL

1.3.1 Theauthorized, issued, subscribed and paid up share capital of the Transferor Company No. 1 as on March 31, 2021 is as under:

Share Capital	Rupees
Authorised Capital	
50,00,000Equity Shares of Rs. 10/- each.	5,00,00,000
Total	**5,00,00,000**
Issued, Subscribed & Paid Up Capital	
42,93,600Equity Shares of Rs. 10/- each.	4,29,36,000
Total	**4,29,36,000**

Subsequent to the above date, there has been no change in the capital structure of the Transferor Company No. 1 till the date of approving of the Scheme by the Board of Directors.

1.3.2 The authorized, issued, subscribed and paid up share capital of the Transferor Company No. 2 as on March 31, 2021 is as under:

Share Capital	Rupees
Authorised Capital	
10,00,000Equity Shares of Rs. 10/- each.	1,00,00,000
Total	**1,00,00,000**
Issued, Subscribed & Paid Up Capital	
9,26,500Equity Shares of Rs. 10/- each.	92,65,000
Total	**92,65,000**

Subsequent to the above date, there has been no change in the capital structure of the Transferor Company No. 2till the date of approving of the Scheme by the Board of Directors.

1.3.3 The authorized, issued, subscribed and paid-up share capital of the Transferee Company/Demerged Company as on March 31, 2021 is as under:

Share Capital	Rupees
Authorised Capital	
50,000Equity Shares of Rs. 10/- each.	5,00,000
Total	**5,00,000**
Issued, S ubscribed & Paid Up Capital	
50,000Equity Shares of Rs. 10/- each.	5,00,000
Total	**5,00,000**

Subsequent to the above date, there has been no change in the capital structure of the Transferee Company/Demerged Company till the date of approving of the Scheme by the Board of Directors.

1.3.4 The authorized, issued, subscribed and paid up share capital of the Resulting Company as on March 31, 2021 is as under:

Share Capital	Rupees
Authorised Capital	
10,000Equity Shares of Rs. 10/- each.	1,00,000
Total	**1,00,000**
Issued, S ubscribed & Paid Up Capital	
10,000Equity Shares of Rs. 10/- each.	1,00,000
Total	**1,00,000**

Subsequent to the above date, there has been no change in the capital structure of the Resulting company till the date of approving of the Scheme by the Board of Directors.

1.4 MAIN OBJECTS OF THE TRANSFEROR COMPANY NO.1,TRANSFEROR COMPANY NO. 2, TRANSFEREE COMPANY/DEMERGED COMPANY AND RESULTING COMPANY.

MAHAVIR ROLLING MILL PRIVATE LIMITED/TRANSFEROR COMPANY NO.1:

1. To take over the running business of M/s. Mahavir Rolling Mill, 2410 Phase-IV, GIDC, Vatva, Ahmedabad, manufacturing steel bars, flats and angles, with its all assets and liabilities for the purpose of the carrying on the same business as that carried on by the vendors.
2. To carry on in India or elsewhere in the world with or without collaboration business to produce, manufacture, purchase, prepare, draw, refine, roll, re-roll, fabricate, alter, convert, process, forge, extrude, melt, smelt, mine, alloy, turn to account, repair, sinter, press, bend, punch, cut, form, anneal, cast, re-cast, mould, remould, sell, supply, distribute, import, export and to act as manufacturers, representatives, selling, agents,

commission agents, conversion agents, or otherwise deal in, metallic substances, steel, alloys, iron and steel, sheets, round sheets, rods, pipes, bars of all sorts, ingots, blocks, I billets, shots, and pellets, slabs, blooms, flats, strips, plates, structures, coils, wires, joists, I girders, beams, granules, tubes, rails, railway materials, rounds, bright bars, octagons, hexagons, sqaures, angles, tees, channels, joint channels, window section of steel, metal, scraps and wastes, wire, MS steels, rounds, ties and ferrous and non-ferrous articles of all kinds.

MGI INDUSTRIES PRIVATE LIMITED/TRANSFEROR COMPANY NO. 2:

1. To carry on the business to produce commercialize, develop, distribute, derive, discover, excavate, dig, blast, drill, grade, handle, manipulate, mines, operate, organize, prepare, promote, supply, import, export, buy, sell, turn to account and to act as agent, broker, concessionaires, consultant, mine owner, quarry owner, loader, unloader, transporter, collaborator, job worker, or otherwise to do deal any ferrous and non-terrors metals, metal-workers, belts, plates, flats ingots, billets, bars, angles, rounds, T-iron, Squares, Sheets, Plates, Coiles, hexagons octagons, channels, bars, shafftings, joints, rods, structurals, tubes, poles, forged components, accessories, nuts, bolts, metal foils, circle, parts, steel round mails, tools, hardware, items, pipes, steel, wires, rails, rolling, materials, rollers, made wholly or partly of iron, steel, aluminium, alloys and metals required in or used for industrial, agricultural, transport, commercial, domestic, building, power-transmission, oil-fields, communication.
2. To carry on the business as manufacturers, processors, converters, finishers, importers, exporters, buyers, sellers, and dealers, in steels including alloy steels, stainless and all other special steels, iron, brass, copper, aluminum, and other ferrous and non-ferrous metals, alloys and products, articles.

MGI TRADECOM PRIVATE LIMITED/DEMERGED COMPANY/TRANSFEREE COMPANY:

1. To carry on the business of to break, dismantle, recycling, distribute, display, lay-down, exchange, hire, handle, let or hire, release, import, export, buy, sell, turn to account or otherwise to deal in all sizes, veritics, capacities, modalities, specifications, descriptions, characteristics, applications and uses of ships, boats, vessels, tankers and floating structures excursion boats, cargo ships, barges, ferry boats, tankers, refrigerated vessels, steel-strips, including ferrous and non-terrors metals, belts, plates, flats ingots, billets, bars, angles, rounds, T-iron, Squares, Sheets, Plates, Coiles, hexagons octagones, channels, bars, shafftings, joints, rods, structurals, tubes, poles, forged components, accessories, nuts, bolts, metal foils, circle, parts, steel round mails, tools, hardware, items, pipes, steel, wires, rails, rolling, materials, rollers, made wholly or party of iron, steel, aluminum, alloys and metals.

2. To carry on the business to produce commercialize, develop, distribute, derive, discover, excavate, dig, blast, drill, grade, handle, manipulate, mines, operate, organize, prepare, promote, supply, import, export, buy, sell, turn to account and to act as agent, broker, concessionaires, consultant, mine owner, quarry owner, loader, unloader, transporter, collaborator, job worker, or otherwise to do deal any ferrous and non-terrors metals, metal-workers, belts, plates, flats ingots, billets, bars, angles, rounds, T-iron, Squares, Sheets, Plates, Coiles, hexagons octagons, channels, bars, shafftings, joints, rods, structurals, tubes, poles, forged components, accessories, nuts, bolts, metal foils, circle, parts, steel round mails, tools, hardware, items, pipes, steel, wires, rails, rolling, materials, rollers, made wholly or partly of iron, steel, aluminum, alloys and metals required in or used for industrial, agricultural, transport, commercial, domestic, building, power-transmission, oil-fields, communication.

3. To carry on the business as manufacturers, processors, converters, finishers, importers, exporters, buyers, sellers, and dealers, in steels including alloy steels, stainless and all other special steels, iron, brass, copper, aluminum, and other ferrous and non-ferrous metals, alloys and products, articles

Mahavir Rolling Mill Pvt. Ltd. Ahmedabad 382445.

MAHAVIR BIZTRADE PRIVATE LIMITED/RESULTING COMPANY:

1. "To carry on in India or elsewhere the business to provide, commercialize, trade, develop, establish, handle, operate, promote, service, supervise and to act as agent, concessionaires, consultants or deal in all types reusable materials through recycling operations and to deal in services of material treatment which may be present during the production of any substance which involve cutting, shaping, polishing by abrasion or metal coating or in recycling various metals extracted or imported."

MGI INDUSTRIES PVT. LTD.

1.5 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme, set out herein in the present form or with any modifications(s) as approved or imposed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench shall be effective from the Appointed Dateand shall be operative from the Effective Date.

MAHAVIR BIZTRADE PRIVATE LIMITED

MGI TRADECOM PRIVATE LIMITED

PART B

MERGER OF
MAHAVIR ROLLING MILL PRIVATE LIMITED
AND MGI INDUSTRIES PRIVATE LIMITED
INTO
MGI TRADECOM PRIVATE LIMITED

2.1 TRANSFER OF ASSETS

With effect from the Appointed Date, the entire business of transferor company no. 1 and transferor company no. 2 will be transferred, as a going concern basis and the whole of the Undertakings shall, without any further act, instrument or deed be and the same shall stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Act.

PROVIDED ALWAYS THAT, this this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies, if any, which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become effective or otherwise.

2.2 TRANSFER OF IMMOVEABLE PROPERTIES

In so far as the immovable properties of the Transferor Companies are concerned, Transferee Company shall register the true copy of the Order of the NCLT approving the Scheme with the office of the relevant Sub-Registrar of the Assurance or similar Concern registering authority. All the rights of The Transferor Companies in immovable properties shall stand transferred to the Transferee Company automatically without requirement of execution of any further documents for registering the name of Transferee Company as owner thereof and the regulatory authorities, including Sub Registrar of Assurance, Talati, Tehsildar, Municipality etc. may rely on the Scheme along with the copy of the Order passed by the NCLT, to make necessary mutation entries and changes in the land or revenue records to reflect the name of Transferee Company as owner of the immovable properties. However, the said transfer shall be subject to payment of applicable stamp duty.

2.3 TRANSFER OF MOVEABLES

2.3.1 It is expressly provided that in respect of such assets of the Transferor Companies as are movable in nature or are otherwise capable of transfer by physical delivery or by endorsement and delivery, the same shall be transferred by The Transferor Companies by handing over physical delivery to the Transferee Company along with such other documents as may be necessary to the end and intent that the property therein passes to the Transferee Company/Demerged Company on such delivery.

2.3.2 In respect of the moveable assets other than those specified in clause 2.3.1 above, including sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits with Government, semi-government, local and other authorities, bodies and customers etc., The Transferor Companies shall give notice in such form, as it may deem fit and proper to each party, debtor or depositee as the case may be, that pursuant to the NCLT, Ahmedabad having sanctioned the Scheme, the said debt, loan, advance, etc., be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of The Transferor Companies to recover or realize the same stands extinguished. The Transferor Companies shall also give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to NCLT, Ahmedabad having sanctioned the Scheme, the said person, debtor or depositee should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realize is in substitution of the right of the Transferee Company.

2.4 **TRANSFER OF OTHER ASSETS**

2.4.1 In respect of such of the said Assets other than those referred to in sub-clause 2.3, they shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act as an integral part of the Transferor Companies.

2.4.2 With effect from the Appointed Date, any statutory licenses, permissions or approvals or consents held by The Transferor Companies shall stand vested in or transferred to Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerns therewith in favour of Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other censes and consents shall vest in and become available to Transferee Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Scheme, special status and other benefits or privileges enjoyed, granted by the Government body, local authority or by any other person or availed of by Transferor Companies, are concerned, the same shall vest with and be available to Transferee Company on the same terms and conditions.

2.4.3 For avoidance of doubt, upon coming into effect of this Scheme and with effect from the Appointed Date, all the rights, title, interest and claims of Transferor Companies in any leasehold/licensed properties in relation to the amalgamation shall be transferred to and vested in or be deemed to have been transferred to and vested in Transferee Company automatically without requirement of any further act or deed.

Mahavir Rolling Mill Pvt. Ltd. Ahmedabad 382445. Phase IV, GIDC, Vatva

MGI INDUSTRIES PVT. LTD.

MAHAVIR BIZTRADE PRIVATE LIMITED

MGI TRADECOM PRIVATE LIMITED

2.5 TRANSFER OF CONTRACTS, DEEDS, ETC.

2.5.1 Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of The Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Companies, The Transferee Company had been a party thereto or beneficiary thereto.

2.5.2 Without prejudice to the other provisions of this Scheme, Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Law or otherwise, take such actions and execute such deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which Transferor Companiesis a party or any party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of Transferor Companies to be carried out or performed.

Mahavir Rolling Mill Pvt. Ltd. Ahmedabad 382445. Phase IV, GIDC, Vatva

2.6 TRANSFER OF LIABILITIES

2.6.1 The Liabilities of the Transferor Companies, as on the close of business on the day prior to the Appointed Date shall also, without any further act, instrument or deed be and stand vested in and/or deemed to be vested in the Transferee Company pursuant to the provisions of Section 230 to 232 of the Act so as to become as and from the Appointed Date the debts liabilities, duties and obligations of the Transferee Company and further 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 have effect to the provisions of this clause. To the extent that there are any loans, out standings or balances due from The Transferor Companies to the Transferee Company or vice versa, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company.

MGI INDUSTRIES PVT. LTD.

MAHAVIR BIZTRADE PRIVATE LIMITED

2.6.2 Where any such debts, liabilities, duties and obligations of The Transferor Companies as on the Appointee Date have been discharged by the Transferor Companies on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of Transferee Company upon the coming into effect of this scheme.

MGI TRADECOM PRIVATE LIMITED

2.6.3 All the loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by The Transferor Companies on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for

and on behalf of Transferee Company and to the extent they are outstanding on the Effective Date, shall upon coming into effect of the Scheme and other the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same;

2.6.4 Upon coming into effect of this Scheme, Transferee Company alone shall be liable to perform all the obligations in respect of the transferred liabilities, which have been transferred to it in terms of this Scheme, and Transferor Companies shall not have any obligations in respect of such transferred liabilities;

3. LEGAL PROCEEDINGS

Upon coming into effect of this Scheme, all legal or other proceedings pending on the Effective Date by or against the Transferor Companies shall be continued and enforced by or against The Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies, if the Scheme had not been made. On and after the Effective Date, the Transferee Company shall and may initiate any legal proceedings in respect of any cause of action accruing or accrued to the Transferor Companies.

4. STAFF, WORKMEN AND EMPLOYEES

4.1. On the Effective Date, all the permanent staff, workmen and other employees of the Transferor Companies and on the payroll (collectively known as "**EMPLOYEES**") shall become the staff, workmen and employees of The Transferee Company, on the basis that:

There shall not be any break or interruption on their services;

(ii) By reason of this transfer, the terms and conditions of service applicable to the said staff, workmen and employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately before the transfer;

(iii) For the purpose of payment of any retirement benefit/compensation, the uninterrupted past services of the EMPLOYEES shall also be taken into account;

(iv) The Transferee Company will abide by the terms of agreements/settlements entered into by the union/associations of the employees with their respective previous employers;

(v) The Transferee Company shall stand substituted for all purposes whatsoever in the superannuation fund, provident fund and gratuity fund or all other special funds ("**FUNDS**") created or existing for the benefit of the staff, workmen or employees of the Transferor Companies.

It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Companies, in relation to such funds shall become those of The Transferee Company and all the rights, duties and benefits of employees of the Transferor Companies, under such funds shall be protected.

IT IS CLARIFIED THAT the uninterrupted services of the EMPLOYEES of the Transferor Companies will also be treated as having been continuous for the purpose of the aforesaid Funds.

5. **TAXATION**

5.1 The Transferee Company will be the successor of Transferor Company No. 1 andTransferor Company No. 2. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed by the Transferor Companies and the obligations if any for payment of the tax on any assets of the Transferor Companies on their erection and/ or installation, etc. shall be deemed to have been availed by the Transferee Company or as the case may be deemed to be the obligations of the Transferee Company.

5.2 With effect from the appointed date and upon the Scheme becoming effective, all taxes, duties, cess payable /receivable by the Transferor Companies including all or any refunds/credit/MAT credit/Claim/GST Input Credit relating thereto shall be treated as asset/liability or refunds/credit/claims/GST Input credit, as the case may be, of the Transferee Company.

5.3 The Transferee Company and the Transferor Companies are expressly permitted to revise their tax returns including tax deducted at source certificate/returns and to claim refunds, advance tax credits, GST credit, excise duty credit, service tax credit, set off, etc. on the basis of the accounts of the Transferor Companies as vested with the Transferee Company upon coming into effect of this scheme and its right to make such revisions in the related tax returns and the related certificates, as applicable, and the rights to claim refunds, adjustments, credits, set offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

5.4 The obligation for deduction of taxes at source on any payments made by or to be made by Transferor Companies, on or after the Appointed Date, shall be made of deemed to have been made and duly complied with by Transferee Company.

6. **CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**

With effect from the Appointed Date and upto and including the Effective Date, the Transferor Companies:

6.1 Shall carry on and be deemed to carry on all their business and activities and shall be deemed to have held and stood possessed of all their properties and assets for and on account of and in trust for the Transferee Company and all the profits or incomes accruing to the Transferor Companiesor expenditure or losses arising or incurred by the Transferor Companies shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;

6.2 Hereby undertakes to carry on their business until the Effective Date with reasonable diligence and business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the Undertakings or any part thereof except in the ordinary course

of their business or pursuant to any pre-existing obligation undertaken by the Transferor Companies;

6.3 Subject to the terms of the Scheme, the transfer and vesting of the Transferred undertaking as per the provisions of the Scheme shall not affect any transactions of proceedings already conclude by Transferor Companies on or before the Appointed Date or after the Appointed Date till Effective Date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things made, done and executed by Transferor Companies, in connection with transferred undertaking as acts, deeds and things made, done and executed by or on behalf of Transferee Company;

6.4 Shall not, without the written consent of The Transferee Company, vary the terms and conditions of the employment of their employees, except in the ordinary course of business; and

6.5 Shall not, without the written consent of The Transferee Company, undertake any new business.

7.CONSIDERATION

7.1 **CONSIDERATION TO EQUITY SHAREHOLDERS OF TRANSFEROR COMPANY NO. 1 AND TRANSFEROR COMPANY NO. 2**

7.1.1 Upon the effectiveness of the Scheme, in consideration of the amalgamation of and vesting of MRPL with and into MTPL and in terms of the Scheme, MTPL shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of MRPL, (whose names are registered in the Register of Members of MRPL, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), Equity Shares of face value Rs. 10/- (Rupees Ten) each credited as fully paid up of MTPL in the ratio of 1 (One) Equity Share of the face value of Rs. 10/- (Rupees Ten) each of MTPL for every 1 equity shares of Rs. 10/- (Rupees Ten) each of MRPL credited as fully paid-up held by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in MRPL.

7.1.2 Upon the effectiveness of the Scheme, in consideration of the amalgamation of and vesting of MIPL with and into MTPL and in terms of the Scheme, MTPL shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of MIPL, (whose names are registered in the Register of Members of MIPL, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), Equity Shares of face value Rs. 10/- (Rupees Ten) each credited as fully paid up of MTPL in the ratio of 9 (Nine) Equity Share of the face value of Rs. 10/- (Rupees Ten) each of MTPL for every 4 (Four) equity shares of Rs. 10/- (Rupees Ten) each of MIPL credited as fully paid-up held by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in MIPL.

(Equity Shares to be issued by MTPL as above in Clause 7.1.1 and 7.1.2 are referred to as "New Equity Shares")

7.2 The New Equity Shares to be issued to the members of MRPL and MIPL as per clause 7.1.1 and 7.1.2 above respectively, shall be subject to the Memorandum of Association and Articles of Association of MTPL. The New Equity Shares shall rank *pari-passu* in all respects, including dividend, with the existing equity shares of the MTPL.

7.3 Any fraction arising on issue of shares as above will be rounded off to the nearest integer. A fraction less than half shall be rounded to the nearest lower integer and a fraction of half or more shall be rounded up to the nearest higher integer.

7.4 The approval of this Scheme by the shareholders of MTPL shall be deemed to be due compliance of all applicable provisions of the Act for the issue and allotment of shares by the MTPL to the shareholders of the MRPL and MIPL, as provided in this Scheme.

7.5 It is clarified that no special resolution under Section 42 and 62 of the Act shall be required to be passed by MTPL separately in a general meeting for issue of shares to the members of the MRPL and MIPL under this Scheme and on the shareholders of the MTPL approving this Scheme, it shall be deemed that they have given their consent to the issue of Equity Shares to the members of the MRPL and MIPL.

8. CANCELLATION OF EQUITY SHARES OF THE TRANSFEROR COMPANY NO. 1 HELD BY THE TRANSFEROR COMPANY NO. 2

8.1 Upon the scheme becoming effective, the issued, subscribed and paid up share capital of MTPL, to the extent of the shares held by MIPL in MRPL, shall be automatically cancelled and reduced in terms of Section 66 of the Act.

8.2 The said cancellation shall result in reduction of Capital under Section 66 of the Act. However, since the aforesaid reduction is consequential and is proposed as an integral part of the Scheme, the Transferee Company shall not be required to undertake separate procedure under Section 66 of the Companies Act, 2013. Further, as the aforesaid reduction does not result in either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share-capital, the provisions of Section 66 of the Act shall not be applicable. The order of the NCLT Sanctioning the Scheme shall be deemed to be the order under Section 66 of the Act for the purpose of confirming reduction. Further, the Transferee Company shall not be required to add "and reduced" as a suffix to its name consequent upon such reduction.

9.ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREECOMPANY

9.1 The Transferee Company shall account for the amalgamation in its books as per the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Act and the accounting treatment prescribed above, to the extent consistent with the said rule. Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under-

9.2 All the assets and liabilities appearing in the books of accounts of the Transferor Company No. 1 and Transferor Company No. 2 shall be recorded by the Transferee

Company at their respective carrying values as appearing in the books of the Transferor Company No. 1 and Transferor Company No. 2.

9.3 All reserves and surplus of the Transferor Company No. 1 and Transferor Company No. 2 as on the Appointed Date shall be transferred to and vested in the Transferee Company at their existing carrying amounts and in the same form in which they appear in the books of the Transferor Company No. 1 and Transferor Company No. 2.

9.4 The equity shares of the Transferor Company No. 1 held by the Transferor Company No. 2 shall stand cancelled in accordance with Clause 8 of the Scheme and as a result equivalent equity share capital of the Transferee Company and the book value of investments held by the Transferor Company No. 2 in the Transferor Company No. 1 shall stand cancelled.

9.5 The face value of New Equity Shares issued by the Transferee Company to the shareholders of the Transferor Company No. 1 and Transferor Company No. 2 pursuant to Clause 7.1 above shall be credited to the Equity Share Capital Account of the Transferee Company.

9.6 The difference, if any, of the value of assets over the value of liabilities and reserves transferred to the Transferee Company as stated above, after providing for adjustments as stated above and the face value of New Equity Shares issued by the Transferee Company shall be adjusted in the Securities Premium of the Transferor Company No. 1 and Transferor Company No. 2, respectively, as recorded in the books of Transferee Company (to the extent available) and the balance, if any, in the reserves being of capital reserve nature. In case of any deficit, the same will be debited Goodwill Account. The same shall be dealt with in accordance with the Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.

In case of any difference in accounting policy between the Transferor Company No. 1 and Transferor Company No. 2 and the Transferee Company, the impact of the same, till the amalgamation, will be quantified and adjusted in the Securities Premium / Capital Reserve, to ensure that the financial statement of the Transferee Company and the Transferor Company No. 1 and Transferor Company No.2 remain on the basis of consistency in the accounting policy.

9.8 Notwithstanding the above, the Board of Directors of Transferee Company, in consultation with the auditors, is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate.

10 COMBINATION OF AUTHORIZED SHARE CAPITAL

10.1 Upon sanction of this Scheme, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the jurisdictional Registrar of Companies by the authorized share capital of the Transferor Company No. 1 amounting to Rs. 5,00,00,000 (Rupees Five Crores only)

comprising of 50,00,000 (Fifty Lakhs Only) Equity Shares of Rs.10/-each and by the authorized share capital of the Transferor Company No. 2 amounting to Rs. 1,00,00,000 (Rupees One Crores only) comprising of 10,00,000 (Ten Lakhs) Equity Shares of Rs.10/-each; and the Memorandum of Association (relating to the authorized share capital) of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under any provisions of the Act would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorized capital of the Transferor Company No. 1 and Transferor Company No. 2 shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.

10.2 Upon combination of the authorized share capital as mentioned in Clause 10.1 above, the authorized share capital of the Transferee Company will automatically stand further increased by Rs. 6,00,00,000 (Rupees Six Crores Only) comprising of 60,00,000 (Sixty Lakhs Thousand) Equity Shares of Rs. 10/- each by simply filing the requisite forms with the jurisdictional Registrar of Companies and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

10.3 Consequent upon the combination of authorized share capital and further increase in authorized share capital of the Transferee Company as mentioned in Clauses 10.1 and 10.2 above, the authorised share capital of the Transferee Company will be as under:

Authorised Capital	Amount in INR
60,50,000 (Sixty Lac Fifty Thousand Only) equity shares of Rs. 10/- (Rs. Ten Only) each	6,05,00,000
Total	6,05,00,000

10.4 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to include their consent / approval also to the alteration of the Memorandum of Association of the Transferee Company as may be required under the Act insofar as it pertains to increase of authorized share capital of the Transferee Company. Clause 'V' of the Memorandum of Association of the Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows:

Clause 'V' of the Memorandum of Association:

The Authorized Share Capital of the Company is Rs.6,05,00,000/- (Rupees Six Crores Five Lacs Only) divided into 60,50,000 (Sixty Lac Fifty Thousand Only) equity shares of Rs. 10/- (Rs. Ten Only) each.

11. DISSOLUTION OF THE TRANSFEROR COMPANY

11.1 On the Scheme becoming effective, MRPL and MIPL shall stand dissolved without winding up in accordance with the provisions of Section 230-232 of the Companies Act, 2013

11.2 On and from the effective date, name of MRPL and MIPL shall be removed from the records of the Registrar of Companies and records relating to MRPL and MIPL shall be transferred and merged with the records of the Transferee Company.

12 DIVIDEND, PROFIT, BONUS/RIGHT SHARES BY TRANSFEROR COMPANY NO. 1 & TRANSFEROR COMPANY NO. 2:

Except with the express consent of the Board of Directors of Transferee Company during the pendency of the present Scheme being sanctioned and upto the Effective Date, Transferor Companies shall not:

12.1 Declare any dividend for the period commencing from the Appointed Date up to and including the Effective Date.

12.2 Issue or allot any right shares or bonus shares out of its authorized or unissued Share Capital for the time being.

Mahavir Rolling Mill Pvt. Ltd. Ahmedabad 382445. Phase-IV, GIDC, Vatva

MGI INDUSTRIES PVT. LTD.

MAHAVIR BIZTRADE PRIVATE LIMITED

M.GI TRADECOM PRIVATE LIMITED

PART C

DEMERGER OF METAL MANUFACTURING UNDERTAKING OF MGI TRADECOM PRIVATE LIMITED

13.1 Pursuant to the aforementioned Merger, The Demerged Company shall primarily be engaged in Metal manufacturing and trading business and also holds various investments in movable as well as immovable assets not related to metal business. However, now considering the horizontal growth of the business and growing business needs of the Demerged Company, the promoters and shareholders have felt emergent need to demerge the Demerged Undertaking being theMetal Manufacturing Undertaking into the Resulting Company *viz.* MahavirBiztradePrivate Limited. The Demerged Undertaking is being transferred to Mahavir BiztradePrivate Limited, the Resulting Company. The Demerged Company shall continue to focus on the remaining business of the Demerged Company. The proposed arrangement between the Demerged Company and the Resulting Company shall bifurcate the present horizontal business activities of the Demerged Company into Resulting Company after retaining the remaining business of the Demerged Company.

13.2 Under the scheme, all the shareholding of the Demerged Company shall also become the shareholders of the Resulting Company in the same proportion in which they are holding shares in the Demerged Company

The Scheme accordingly, provides for the demerger of the Demerged Undertaking from the Demerged Company and its vesting into the Resulting Company on a going concern basis, at the respective book value of the assets, including consequential or related matters integrally connected therewith. The arrangement shall also bring *inter-alia* the following benefits:

(i) enable the company to concentrate on their core business competencies;

(ii) bring about optimum utilization of resource for company;

(iii) facilitate expansion or any other arrangement in the company depending upon the opportunities in the future with similar business to achieve economies of scale and better and improved profitability;

(iv) ensure effective and efficient administration, divided management and control of the company post approval of scheme;

14. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

14.1 On the Scheme being effective, with effect from the appointed date and subject to fulfillment of the conditions prescribed herein and the provisions of the scheme in relation to the mode of transfer and vesting and pursuant to Section 2(19AA) of the Income Tax Act, 1961, the Demerged Undertaking, as appearing in the Books of Accounts of the demerged company as on the appointed date, with all additions made

thereto till the effective date shall without any further act, instrument, deed, matter or thing be transferred to and be vested in and be deemed to have been transferred at values appearing in its books of accounts to and vested in the resulting company on a going concern basis, so as to become as and from the appointed date, the estate, assets, rights, title, interest and authorities of the resulting company, pursuant to the applicable provisions of the laws, subject however, to all charges, liens, mortgages, if any, then affecting or subsisting the Demerged Undertaking or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the demerged undertaking which shall vest in Demerged Undertaking by virtue of the present de-merger and the resulting company shall not be obliged to create any further or additional security there for after coming into effect of this scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, the resulting company will create the security in terms of the issue or arrangement in relation thereto with the bankers. The resulting company shall enter into such fresh agreements or execute deeds, writings or confirmations with the existing Banker from whom the demerged Company has availed and utilizing the credit facilities for the amount as mutually agreed upon and approved by the Bank on such terms and conditions as may be advised by the Bank, and to the extent that the demerged company is required, prior to the effective date, to join in any such deeds, writings, or confirmations, the resulting company shall be entitled to act for and on behalf of and in the name of the demerged company.

14.2 In particular, with effect from the Appointed Date and upon the Scheme being effective, all the business activities, being undertaken by the demerged company as mentioned in Demerged Undertaking and all rights, liabilities, duties, powers, authorities shall vest in the resulting company and the concerned party under such transaction shall facilitate the vesting of the Demerged Undertaking in the resulting company without hindrance or let from the Appointed Date.

14.3 In respect of such of the assets of the Demerged Undertaking as are movable in nature, including investments, or are otherwise capable of transfer by physical delivery/or by endorsement and/or delivery, the same shall be so transferred by the Demerged Company, and shall, upon such transfer, become properties, estates, assets, rights, title, interests and authorities of the resulting company as an integral part of the distribution division and accordingly, shall become the property of the resulting company.

14.4 In respect of such of the assets of the Demerged Undertaking other than those mentioned in 13.3 above, the same shall, without any further act, instrument or deed, be and stand transferred to and vested in the resulting company on the Appointed Date pursuant to the provisions of Section 230 of the Act. For avoidance of doubt, it is hereby clarified that all the rights, title and interest of the demerged company in any leasehold properties mentioned in Demerged Undertaking shall, pursuant to Section 230 of the

Act and the provisions of the scheme, without any further act or deed, be and stand transferred to and vested in or be deemed to have been transferred and vested in the resulting company.

14.5 All debts, outstanding and receivables of the demerged company concerning Demerged Undertaking shall, accordingly, on and from the Appointed Date, stand transferred to and vested in the resulting company without any notice or prior intimation to the debtor and the debtors shall be obliged to make payment to the resulting company after the effective date.

14.6 The debts, liabilities, duties and obligations of the demerged company as on the Appointed Date and forming part of the Demerged Undertaking including secured loans obtained from Bank consisting of the working capital facilities shall be on account of the resulting company. Provided always that on scheme being effective, the security given to the Bank by the Demerged Company and its directors shall be modified and the collateral security of the assets belonging to the directors of the resulting company shall be such as agreed and approved by the Bank in such manner and to the extent it is required by the Bank.

14.7 With effect from the Appointed Date, all the Liabilities concerning Demerged Undertaking shall, without any further act, instrument, deed, matter or thing, be and stand transferred to the resulting company pursuant to the applicable provisions of the Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the resulting company on the same terms and conditions as were applicable to the demerged company and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.

14.8 All indirect taxes (including, without limitation, sales tax, excise duty, Goods and Service Tax, customs duty, service tax, etc.) paid or payable by the demerged company in respect of the operations and/or profits of the business before the appointed date, pertaining to the demerged undertaking, shall be on account of resulting company and, insofar as it related to the indirect tax payment (including, without limitation, sales tax, excise duty, Goods and Service Tax, customs duty, service tax, etc.) by the demerged company in respect of the activities or operation of the business, pertaining to the demerged undertaking, with effect from the appointed date, the same shall be deemed to be paid by the resulting company, and shall, in all proceedings, be dealt accordingly.

14.9 With effect from the appointed date and upon the Scheme becoming effective, income taxes payable by the demerged income, including advance taxes and taxes deducted at source, if any, accruing and relating to the operations of the demerged undertaking from

the appointed date onwards, shall, for all purposes, be treated as income tax payments of the resulting company.

14.10 Obligation for deduction of taxes at source or any payments made by or to be made by the demerged company in respect of the demerged undertaking on or after the appointed date, shall be made or deemed to have been made and duly complied with, by the resulting company.

14.11 The transfer and vesting of the Demerged Undertaking of the demerged company under this Clause and the continuance of the proceedings by the resulting company under Clause 15 hereof shall not affect any transaction or proceeding already concluded by the demerged company in the ordinary course of business on and after the Appointed Date to the end and with the intent that the resulting company accepts on behalf of itself all acts, deeds and things done and executed and all transactions or proceedings already concluded by the demerged company.

14.12 Any statutory licenses, permissions or approvals or authorizations or consents or permits held by the demerged company required to carry on operations of Demerged Undertaking or which may pertain to the Demerged Undertaking in any manner whatsoever, shall stand vested in or transferred to the resulting company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the resulting company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and/or other consents shall vest in and become available to the resulting company as if they were originally obtained by the resulting company in so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the demerged company relating to the Demerged Undertaking are concerned and the same shall vest with and be available to the resulting company on the same terms and conditions as applicable to the demerged company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the resulting company.

15. REMAINING BUSINESS OF THE DEMERGED COMPANY

On the Scheme being effective, with effect from the appointed date and subject to fulfillment of the conditions prescribed herein and the provisions of the scheme, the remaining business of the Demerged Company, situated at 702 Addor Aspire Complex Comm. Ser. Soc. Ltd., Addor Aspire, Near Jahanvee Road Univesity Ahmedabad-380015 including Metal Trading Business and all its properties and liabilities and the equipment, raw material and machineries at their book value, as well as the employees and workers employed thereat as appearing in the books of accounts of the demerged company as on the appointed date shall continue to be vested in the demerged company at the values appearing in its books of accounts.

16. LEGAL PROCEEDINGS

If any civil suit, application, arbitration case or proceeding, writ petition, appeal, criminal complaints, revision or any other civil or criminal proceedings of whatever nature, except cases for recovery, (hereinafter called the "**Proceedings**") by or against the demerged company be pending, the same shall not abate, or be discontinued or be in any way prejudicially affected by reason of the transfer of the demerged undertaking or anything contained in the scheme and the same shall continue to be prosecuted, operate and enforced, as the case may be, by or against the demerged company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against it, if the scheme had not been made. It is made clear that under the scheme it is neither proposed nor envisaged to transfer any of the pending legal proceedings by or against the demerged company or any liability arising out of it on the resulting company in any manner whatsoever, except cases which is specifically related with the respective resulting company.

17. OPERATIVE DATE OF THE SCHEME

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Hon'ble NCLT or made as per the scheme shall be effective from the Appointed Date but shall become operative from the effective date.

18. BOARD OF DIRECTORS & EMPLOYEES

18.1 On the Scheme being effective and with effect from the appointed date, all the Directors of the Demerged Company shall continue to be the directors of the Demerged Company who shall discharge their duties in the same manner in which they were discharging their functions prior to demerger.

18.2 All the employees working in the demerged undertaking concerning the Demerged Undertaking on the appointed date, shall on and from the effective date, become the employees of the resulting company, at such position, rank and designation as may be determined by the resulting company with the benefit of continuity of service and such that the terms and conditions of their employment with the resulting company are no less favorable than those applicable to them as employees of the demerged company on the effective date.

18.3 With regard to the provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of such employees of the Demerged Undertaking, upon the scheme being effective, resulting company shall stand substituted for the demerged company for all purposes whatsoever in relation to the administration or operation of such fund or funds and the obligation to make contributions to the said fund or funds. It is the aim and intent of the scheme that all the rights, duties, powers and obligations of the demerged company in relation to such funds shall become those of the resulting company. It is clarified that the services of the employees of the

demerged undertaking will be treated as having been continuous for the purpose of the aforesaid fund etc.

18.4 The resulting company undertakes to continue to abide by any agreement(s)/settlement(s) entered into or conditions of letters of appointment issued by the demerged company to any employees of the demerged company engaged in the demerged undertaking. The resulting company agrees that for the purpose of payment of any retrenchment, compensation, gratuity and other terminal benefits, the past services of such employees with the demerged company concerning the divisions shall be taken into account, and further agrees and undertakes to pay the same as and when payable.

18.5 The employees of the demerged company working in the remaining business of the Demerged Company shall continue to hold their respective positions and shall continue to be in the employment on the same terms and conditions, unless otherwise agreed in writing by them.

19. CONDUCT OF BUSINESS OF DEMERGED UNDERTAKING BY DEMERGED COMPANY TILL EFFECTIVE DATE

With effect from the appointed date and up to the effective date, the demerged company;

19.1 shall hold the assets and liabilities of Demerged Undertaking for and on behalf of the resulting company and shall take all necessary steps for continuation of the same, including securing of fresh and renewed loan and financial facilities from Banks and all necessary permissions, registrations, licenses, authorizations and statutory clearances held in its own name from all concerned government bodies and authorities for handing over the same to the resulting company pursuant to the present scheme;

19.2 shall carry on and be deemed to carry on all its business concerning the Demerged Undertaking and shall hold and stand possessed and shall be deemed to have held and stood possessed of its properties and assets on account of and in trust for, the resulting company and account for any income or profit accruing or arising to the demerged undertaking or losses, costs, charges and expenses arising or incurred by the demerged company shall, for all purposes, be treated as the income, profits, costs, charges, expenses and losses as the case may be, of the resulting company;

19.3 hereby undertakes to carry on its business and activities in the ordinary course of business with reasonable diligence and utmost business prudence and shall not, without the written consent of the resulting company sell, transfer, alienate, charge, mortgage or encumber or otherwise deal with the demerged undertaking or any part thereof except in the ordinary course of their business;

19.4 shall not, vary the terms and conditions of employments of its employees except in the ordinary course of business;

19.5 shall only with the prior written consent of resulting company undertake any new business in demerged undertaking;

19.6 shall not increase its liabilities in any manner, except in the ordinary course of business.

20. REORGANISATION OF SHARE CAPITAL OF THE COMPANIES

20.1 Reduction of Share Capital of Demerged Company:

(a) Under and in consideration of the provisions of this scheme and as an integral part thereof, the authorized, issued, subscribed and paid up share capital of the Demerged Company shall stand reduced, restructured and reorganized in the manner set out under the below mentioned clauses and the provisions of this clause shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

(b) Upon the Scheme being effective and as a consequence of transfer of the Demerged Undertaking from the Demerged Company and issue of shares by the Resulting Company to the shareholders of the demerged company in consideration of the transfer of Demerged Undertaking, the authorized share capital of the Demerged Company shall stand reduced from Rs, 6,05,00,000/- (Rupees Six Crores Five Lacs Only) divided into 60,50,000(Sixty Lac Fifty Thousand Only) equity shares of Rs. 10/- (Rs. Ten Only) each to Rs. 2,50,00,000/- (Rupees Two Crores Fifty Lakhs Only)divided into 25,00,000(Twenty Five Lakhs Only) equity shares of Re. 10/- each (Rupees Ten Only) and the remaining authorized capital consisting of Rs.3,55,00,000/- (Three Crores Fifty Five Lakhs Only) divided into 35,50,000 (Thirty Five Lakhs Fifty Thousands)equity shares of Rs. 10/- (Rupees Ten Only) each shall be divided between and transferred to the Resulting Company as their authorized share capital in the manner provided elsewhere in this scheme.

(c) Upon the Scheme being effective and as a consequence of transfer of the Demerged Undertaking, each equity shareholder of the Demerged Company shall hold 42(Forty Two) equity share of Rs. 10/- (Rupees Ten Only) each against each 100 (One Hundred) equity share of Rs. 10/- (Rupees Ten Only) each in the demerged company, the fractions, if any, shall be rounded-off to the nearest share and dealt with in accordance with the scheme.

(d) On the scheme being effective and as a consequence of the reduction, the paid up share capital of the Demerged Company shall become Rs. 2,38,48,540/- (Rupees Two Crores Thirty Eight Lacs Forty Eight Thousand Four Hundred and Fifty Only) divided into 23,84,854 (Twenty Three Lakhs Eighty Four Thousands Eight Hundred Fifty Four) equity share of Rs. 10/- each.

(e) After reduction, the authorized, issued, subscribed and paid up share capital of the Demerged Company shall be as under:

Particulars	Amount in Rs.
Authorized:	
25,00,000 (Twenty Five Lakhs Only) equity shares of Re. 10/- each (Rupees Ten Only)	2,50,00,000
Total	**2,50,00,000**

Issued, Subscribed and Paid-up: 23,84,854 (Twenty Three Lakhs Eighty Four Thousands Eight Hundred Fifty Four) equity share of Rs. 10/- each	2,38,48,540
Total	**2,38,48,540**

(f) The scheme envisages reduction of the authorized, issued, subscribed and paid-up share capital of the Demerged Company, which shall be given effect to as an integral part of the scheme. Upon the scheme being effective, the consent given to the scheme by the shareholders and the creditors of the Demerged Company shall be deemed to be their consent under the provisions of Section 66 of the Companies Act, 2013 and all other applicable provisions of the Act to such reduction of the share capital of the Demerged Company and no other and separate approval or procedures shall be required to be followed for the purpose of the reduction of share capital by the Demerged Company. The reduction of share capital as above would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of the Act in this regard shall not be applicable. Hence, the order of the Hon'ble NCLT sanctioning the Scheme shall be deemed to be an Order under Section 66 of the Companies Act, 2013 confirming the reduction. The Demerged Company shall not be required to add "and reduced" as a suffix to the name.

(g) It is hereby clarified that the amount by which the share capital of the Demerged Company is reduced under the scheme, shall not be paid to the shareholders of the Demerged Company, except payment for the fractional shares, if any, arising out of the division of the paid-up equity share capital and all applicable accounting standards shall be followed while passing the necessary accounting entries in this connection.

(h) Upon the Scheme being effective, the shares and the share certificates issued by the Demerged Company to its members in relation to their holding shall, without any further application, act, instrument or deed, be deemed to have been cancelled and be of no effect on and from the appointed date and the Demerged Company shall issue fresh share certificates to its shareholders in accordance with the provisions of the Companies Act, 2013 and the Rules, made there under.

20.2 Authorized, Issued &Paid up Equity Share Capital of, the Resulting Company:

(a) Upon the Scheme being effective and in consideration of the transfer of and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company in terms of the scheme, all the equity shareholders of the Demerged Company shall become entitled to 58 (Fifty Eight) equity shares of Rs.10/- each of the Resulting Company against every 100 (Hundred equity share of Rs. 10/- each held by him in the Demerged company, without changing his respective proportion of shareholding in the Demerged Company and the Resulting Company.

(b) Therefore, on the scheme being effective, the Resulting Company shall offer and issue 58 (Fifty Eight equity shares of Rs. 10/- (Rupees Ten Only) each to the shareholders of the demerged company, as a result of which the paid up share capital of the Resulting Company shall be increased by Rs. **3,29,33,710**/- (Rupees Three Crores Twenty Nine Lakhs Thirty Three Thousands Seven Hundred Ten Only), which shall stand credited as fully paid-up share capital of the Resulting Company.

(c)Upon the Scheme being effective and after allotment of Rs. 3,29,33,710 /- (Rupees Three Crores Twenty Nine Lakhs Thirty Three Thousands Seven Hundred Ten Only) divided in to 32,93,371 (Thirty Two Lakhs Ninty Three Thousands Three Hundred Seventy One) equity shares of Rs.10/- each, the issued, subscribed and paid up capital of Resulting Company shall automatically stand increased from Rs. 1,00,000/- (Rupees One Lakhs Only) divided into 10,000(Ten Thousands) equity shares of Rs. 10/- each to Rs. 3,30,33,710 /- (Rupees Three Crores Thirty Lakhs Thirty Three Thousands Seven Hundred Ten Only) divided into 33,03,371 (Thirty Three Lakhs Three Thousands Three Hundred Seventy One) equity shares of Rs. 10/- each.

(d) Upon coming into effect of this Scheme, the authorized share capital of the Resulting Company shall, without any further act, deed or compliance of any section under the Companies Act, 2013 or the rules made there-under as may be applicable in this regard and transfer of 35,50,000 (Thirty Five Lakhs Fifty Thousands) equity shares of Rs. 10/- each out of the authorized share capital of the demerged company, be increased from Rs. 1,00,000/- (Rupees One Lakhs Only) divided into 10,000(Ten Thousands only) equity shares of Rs. 10/- each to Rs. 3,56,00,000/- (Rupees Three Crores Fifty Six Lakhs Only) divided into 35,60,000 (Thirty Five Lakhs Sixty Thousands) equity shares of Rs. 10/- each and consequently Clause V of the Memorandum of Association of the Resulting Company (relating to authorized share capital) shall without any further act, instrument or deed be stand altered, modified and amended pursuant to Sections 61 and 14 and other applicable provisions of the Act or under the Companies Act, 2013, as the case may be, in the manner set out below and be replaced by the following clause:

V.*The authorized share capital of the Company shall be*Rs. 3,56,00,000/- (Rupees Three Crores Fifty Six Lakhs Only) divided into 35,60,000 (Thirty Five Lakhs Sixty Thousands) equity shares of Rs. 10/- each

Upon the scheme being effective and after issue and allotment of the shares by Resulting Company, the share capital structure of Resulting Company Limited shall be as under:

Particulars	Amount in Rs.
Authorized:	

35,60,000 (Thirty Five Lakhs Sixty Thousands) equity shares of Rs. 10/- each	3,56,00,000
Total	3,56,00,000
Issued, Subscribed and Paid-up:	
33,03,371 (Thirty Three Lakhs Three Thousands Three Hundred Seventy One) equity shares of Rs. 10/- each	3,30,33,710
Total	**3,30,33,710**

(e) The scheme does not envisage issue and allotment of any share of the Resulting Company to a person other than the existing equity shareholder of the Demerged Company and the shareholding of the members of the Demerged Company shall be in the same proportion of the share capital of the Resulting Company in which they were holding equity shares in the Demerged Company except to the extent of the impact of the minimum number of the equity shares allotted by Resulting Company to its subscribers at the time of its incorporation.

(f) Upon the scheme being effective, the new share certificates of the Resulting Company in relation to the issued equity shares shall be issued to the shareholders of the Demerged Company and the Resulting Company shall issue fresh share certificates to its shareholders in accordance with the provisions of the Companies Act, 2013 and Rules made there under.

(g) The equity shares of, the Resulting Company, issued and allotted in terms hereof shall be subject to the Memorandum and Articles of Association of Resulting Company as well as the terms and conditions under which the shares were issued.

21. ACCOUNTING TREATMENT AND STANDARDS

The demerged and the Resulting Company shall account for the present scheme of arrangement anddemerger in their respective books of accounts and records strictly in conformity with the provisions of Section 133 of the Act and also the Accounting Standards prescribed under the Companies (Indian Accounting Standards) Rules, 2015 made by the Central Government and particularly as under:

21.1 The demerged company shall, upon coming into effect of theScheme and on account of the demerger of the Demerged Undertaking into the resulting company, account for transfer of the demerged undertaking, the properties, assets and liabilities there-under on a going concern basis, at the same book value at which the same have been shown in its books of accounts on the close of business of the day immediately preceding the Appointed Date.

21.2 The identity of statutory reserves of the Demerged Company in proportion to the Net Asset transferred to the Resulting Company, shall be preserved and they shall appear in the financial statements of the Resulting Company to the Resulting Company in the same form and manner in which they appeared in the financial statements of the Demerged Company prior to this Scheme becoming effective.

21.3 The balance in the Profit & Loss Account and the Free Reserves Account of the Demerged Company in proportion to the Net Asset transferred to the Resulting Company, shall be carried as the balances in the accounts of the Resulting Company.

21.4 The difference between the amount recorded as share capital issued by the Resulting Company and the net assets along with reserves transferred by the Demerged Company shall be credited to Capital Reserve Account of the Transferee Company. In case of any shortfall, it should be first adjusted towards Securities Premium / Capital Reserve of the Transferor Companies and then to other reserves and in case of any further shortfall, the same will be debited Goodwill Account. The same shall be dealt with in accordance with the Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.

21.5 Further, in case of any difference in accounting policy between the Demerged Company and the Resulting Company, the impact of the same, till the amalgamation, will be quantified and adjusted in the Securities Premium / Capital Reserve, to ensure that the financial statement of the Demerged Company and the Resulting Company remain on the basis of consistency in the accounting policy.

21.6 Notwithstanding the above, the Board of Directors of Transferee Company, in consultation with the auditors, is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate.

22. CONTINUATION OF DEMERGED COMPANY

Upon the Scheme being effective, the operations of the demerged company shall continue, with the operations.

Mahavir Rolling Mill Pvt. Ltd. Ahmedabad 382445. Phase-IV, GIDC, V-Ve

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MAHAVIR BIZTRADE PRIVATE LIMITED

PART D – OTHER TERMS AND CONDITIONS

The provisions of this Part shall be applicable to *Part B &C*of this Scheme.

23. Upon the scheme being effective, the*Transferor Companies* shall file the required forms and documents with the Ministry of Corporate Affairs intimating amalgamation of Transferor Companies with the Transferee Company and shall pay the filing fees to the Ministry of Corporate Affairs as may be applicable and required to be paid in accordance with law for filing of such forms and documents.

24. Upon the scheme being effective, the*Transferee Company*shallfile the required forms and documents with the Ministry of Corporate Affairs intimating increase in their respective authorized, issued, subscribed and paid up share capital and shall pay the filing fees to the Ministry of Corporate Affairs as may be applicable and required to be paid in accordance with law for filing of such forms and documents, however, the authorized share capital of the transferee company, to the extent of transfer of the authorized share capital from the transferor companies shall increase without payment of fee for increase in capital as well as the stamp duty to the State of Gujarat as the transferor companies has already borne the same while increasing its authorized share capital.

Upon coming into effect of this scheme, the*Demerged Company*shall file necessary forms and documents with the Ministry of Corporate Affairs intimating reduction in its Authorized, issued, subscribed and paid up share capital and shall pay necessary filing fee as may be applicable and required to be paid in this regard in accordance with law for filing of such forms and documents and on receiving a certified copy of the order of the Hon'ble NCLT approving the present scheme, the Office of the Registrar of Companies, Ahmedabad shall record the reduction in share capital of the Demerged Company in terms of provisions of the Companies Act.

26. Upon the scheme being effective, the *Resulting Company* shall file the required forms and documents with the Ministry of Corporate Affairs intimating increase in their respective authorized, issued, subscribed and paid up share capital and shall pay the filing fees to the Ministry of Corporate Affairs as may be applicable and required to be paid in accordance with law for filing of such forms and documents, however, the authorized share capital of the resulting company, to the extent of transfer of the authorized share capital from the demerged company, shall increase without payment of fee for increase in capital as well as the stamp duty to the State of Gujarat as the demerged company has already borne the same while increasing its authorized share capital.

27. On receiving a certified copy of the order of the Hon'ble NCLT approving the present scheme, the Office of the Registrar of Companies, Ahmedabad shall, with effect from the appointed date, record the change in the authorized, issued, subscribed and paid-up

share capital of the Transferee Company/Demerged Company and Resulting Company in terms of provisions of the Companies Act.

28. The present Composite Scheme of Arrangement has been drawn in compliance of the provisions of "Amalgamation" as specified under Section 2(1B) and "Demerger" as specified under Section 2 (19AA) of the Income Tax Act, 1961 as well as the provisions of Section 230-232 of the Companies Act, 2013 pertaining to arrangement and should always be read in compliance of the said provisions.

29. **APPLICATION TO NCLT**

The Transferor Company No.1 & the Transferor Company No.2, Demerged Company and the resulting company shall, with all reasonable dispatch, make a joint application/petition to the jurisdictional NCLT pursuant to Section 230-232 read with Section 66 of the Act and other applicable provisions of the Act or any rules or regulations made there under as may be applicable to the Companies, from time to time, for seeking sanction of the present Scheme and apply for and obtain such other approvals, if any, required under the law.

30. **APPROVALS AND MODIFICATIONS**

30.1 The Board of Directors of the Transferor Company No.1 and the Transferor Company No.2, Demerged Company and the ResultingCompany may assent from time to time, on behalf of all persons concerned including the shareholders, to any modification(s) or amendment(s) or addition(s) to the present scheme, or to any conditions or limitations which either the Board of Directors of the Transferor Company No.1 and the Transferor Company No.2,the Demerged Company and the Resulting Company may deem fit or which the Hon'ble NCLT and/or any competent authority, if any, under the law may deem fit, to approve of or impose and which the Board of Directors of the Transferor Company No.1 and the Transferor Company No.2, the Demerged Company and the Resulting Company may in their discretion, deem fit, and to resolve all doubts or difficulties that may arise in carrying out and implementing this scheme and to do all acts, instruments, deeds, matters and things necessary or to review the position relating to the satisfaction of the conditions of this scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing the scheme into effect. In the event of any of the conditions that may be imposed by the Hon'ble NCLT or other authorities, which the Transferor Company No.1 and the Transferor Company No.2, the Demerged Company and the Resulting Company may find unacceptable for any reason, whatsoever, then the Transferor Company No.1 and the Transferor Company No.2, the Demerged Company and the Resulting Company are at liberty to withdraw the scheme. The aforesaid powers of the Transferor Company No.1 and the Transferor Company No.2, the Demerged Company and Resulting Company may be exercised by their respective Board of Directors, or a committee of the concerned Board of Directors, or any director or employee authorized in that behalf by the concerned Board of Directors (hereinafter referred to as the "**Delegates**").

30.2 For the purpose of giving effect to this scheme or to any modifications or amendments thereof, or additions thereto, the Delegate(s) of the Transferor Company No.1 and the Transferor Company No.2, the Demerged Company and the Resulting Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this scheme.

31. CHANGE OF NAME

Upon the scheme being effective, the name of the Resulting Company i.e. Mahavir Biztrade Private Limited shall be changed to "Mahavir Rolling Mill Private Limited" and that of Demerged Company i.e. MGI Tradecom Private Limited be changed to MGI Industries Private Limited.

32. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS:

The present Scheme is conditional upon and subject to:

32.1 The scheme being agreed to by the requisite majority of the members of the Transferor Company No.1 and the Transferor Company No.2, the Demerged Company and the Resulting Company as required under the Act and the requisite orders of the NCLT being obtained.

32.2 Such other sanctions and approvals including sanctions of any governmental or regulatory authority of the scheme being obtained.

32.3 The certified copies of the orders passed by Hon'ble NCLT,sanctioning the scheme, being filed with the Registrar of Companies, Gujarat, under the Ministry of Corporate Affairs.

33. SEVERABILITY

33.1 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the respect Board of Directors of each Company.

33.2 Subject to above, if any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity of implementation of the other parts and/or provisions of this Scheme.

Mahavir Rolling Mill Pvt. Ltd. Ahmedabad 382445. Phase-IV, GIDC, Vatva

MGI INDUSTRIES PVT. LTD.

MAHAVIR BIZTRADE PRIVATE LIMITED

MGI TRADECOM PRIVATE LIMITED

33.3 Upon this Scheme becoming effective, the accounts of the Transferee Company/Demerged Company/Resulting Company, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.

34. COST, CHARGES AND EXPENSES

All the costs charges, taxes including duties, levies and all other expenses, if any, arising out of/or incurred in securing approvals and sanctions for the scheme and matters incidental thereto shall be borne and paid by the Companies as may be mutually agreed by the respective Board of Directors.

35. APPROVALS/ SANCTION NOT FORTHCOMING

In any event of the approvals, sanctions and filings referred to in Clause 27 are not obtained, completed or forthcoming, the 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 right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and shall be preserved or worked out as specifically provided in the scheme or as may otherwise arise in law.

Mahavir Rolling Mill Pvt. Ltd. Ahmedabad 382445.

MGI INDUSTRIES PVT. LTD.

MAHAVIR BIZTRADE PRIVATE LIMITED

MGI TRADECOM PRIVATE LIMITED

Annexure-B

165

SCHEDULE I

LIST OF ASSETS TO BE TRANSFERRED OF DEMERGED UNDERTAKING TO RESULTING COMPANY PURSUANT TO PROPOSED SCHEME OF ARRANGEMENT

Part I

Particulars of immovable properties:

S. No.	Description of Property
1	Leasehold land situated at non-agricultural industrial land bearing Plot No. 2401, 2403, 2408, 2409 and 2410 Vatva GIDC, Phase-IV, Vatva, Dist. Ahmedabad along with civil structure constructed thereon.

Part II

Particulars of moveable assets

S. No.	Description of Property
1.	All the movable assets of the Demerged Company pertaining to the business of metals including alloy, steel, stainless and all other special steel, iron, brass, copper, aluminum and other ferrous and non-ferrous metals, alloys and products, article including but not limited to plant and machinery, furniture and fixtures, vehicles, other movable fixed assets, inventories, receivables, actionable claims, rights, cash and bank balances, fixed deposits, input receivables, Government dues receivables, loans and advances or any other assets.

Particulars of Bank accounts / fixed deposits

Name of the Bank	Account Type	Account Particulars
Bank of Baroda	Cash Credit Account	10020500000009
Bank of Baroda	Loan Account	10020600001160
Bank of Baroda	Fixed Deposits	10020300061142
Bank of Baroda	Fixed Deposits	10020300061143
Bank of Baroda	Fixed Deposits	10020300061144
Bank of Baroda	Fixed Deposits	10020300061233
Bank of Baroda	Fixed Deposits	10020300061385
Bank of Baroda	Fixed Deposits	10020300063718
Bank of Baroda	Fixed Deposits	10020300063725
Bank of Baroda	Fixed Deposits	10020300063734
Bank of Baroda	Fixed Deposits	10020300063945
Bank of Baroda	Fixed Deposits	10020300064666
Bank of Baroda	Fixed Deposits	10020300065158
Bank of Baroda	Fixed Deposits	10020300065178
Bank of Baroda	Fixed Deposits	10020300065184

MGI INDUSTRIES PVT. LTD. Ahmedabad 382445. MAHAVIR BILTRADE PRIVATE LIMITED MGI TRADECOM PRIVATE LIMITED

MGI INDUSTRIES PVT. LTD. Ahmedabad 382445. MGI TRADECOM PRIVATE LIMITED MAHAVIR BILTRADE PRIVATE LIMITED

Part III

Registration with various authorities under respective laws, bodies, etc

Licenses / Approvals / consent	Issued by	Reference Number
Company Identification Number	Registrar of Companies	U28999GJ1992PTC018185
Permanent Account Number	Income Tax Department	AABCM8847K
TAN	Income Tax Department	AHMM00006G
GST	Goods & Service Tax Department	24AABCM8847K1Z3
IEC No	Directorate General of Foreign Trade	0815900163 issued on 22/04/2015
Udyam Registration No.	Ministry of Micro, Small and Medium Enterprise	UDYAM-GJ-01-0069301
GEB Vendor Registration	Gujarat Energy Transmission Corporation Limited	Vendor Registration No. 76-R3, dated 19/07/2016
ESIC Registration No.	Employee's State Insurance Corporation	37000149840000503
2R Permission	Gujarat Industrial Development Corporation	GIDC/RM/CG/RM/ABD/2R/VAT1/0074
Provident Fund Registration No.	Employee's Provident Fund Organization	GJVAT0018242000
ISO No.	Bureau Veritas Certification Holding SAS – UK Branch	ISO 9001: 2015 & ISO 14001: 2015, dated 01/02/2019
BIS No.	Bureau of Indian Standards	CM/L – 7420158, dated 07/01/2021
LEI No.	Legal Entity Identifier India Limited	3358008KLG44ASZ6HO69, dated August 11, 2021
GPCB Consent No.	Gujarat Pollution Control Board	AW – 83311, dated 27/12/2016
CSPO Registration	Central Store Purchase Organisation	1504468, dated 14/12/2020
Factory License No.	Directorate Industrial Safety & Health, Gujarat State	15023
Professional Tax No.	Amdavad Municipal Corporation	PEC014401888 PRC014400446

167

LIST OF ASSETS TO BE RETAINED IN DEMERGED COMPANY AFTER DEMERGER PURSUANT TO PROPOSED SCHEME OF ARRANGEMENT

Part I

Particulars of immovable properties:

S. No.	Description of Property
1	Plot No. 19/A, Block No. 1096A, 1097, 1098, At. Adalaj, Tal. & Dist. Gandhinagar admeasuring 1545.12 Sq. meters
2	Plot No. 19/B, Block No. 1096A, 1097, 1098, At. Adalaj, Tal. & Dist. Gandhinagar admeasuring 1583.57 Sq. meters
3	Office No. 306, 3rd Floor, Span Trade Center, Nr. Dev Archan Complex, Nr. Paldi Cross Road, Ahmedabad
4	Office No. 702, 7th Floor, Addor Aspire, University Road, Gulbai Tekra, Ahmedabad

Part II

Particulars of moveable assets

S. No.	Description of Property
1	All the movable assets of the Demerged Company pertaining to other than the business of metals including alloy, steel, stainless and all other special steel, iron, brass, copper, aluminum and other ferrous and non-ferrous metals, alloys and products, article including but not limited to plant and machinery, furniture and fixtures, vehicles, other movable fixed assets, inventories, receivables, actionable claims, rights, cash and bank balances, fixed deposits, input receivables, Government dues receivables, loans and advances or any other assets.

Particulars of Bank accounts / fixed deposits

Name of the Bank	Account Type	Account Particulars
Bank Of Baroda	Current Account	10020200001116

Part III

Registration with various authorities under respective laws, bodies, etc

Licenses / Approvals / consent	Issued by	Reference Number
Company Identification Number	Registrar of Companies	U27310GJ2006PTC048707
Permanent Account Number	Income Tax Department	AAECM7637C
TAN	Income Tax Department	AHMM07526B
[illegible]	Goods & Service Tax Department	24AAECM7637C1ZN
Pr[illegible]ional Tax No.	Amdavad Municipal Corporation	PEC010511001721

MGI TRADECOM PRIVATE LIMITED

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MGI INDUSTRIES PVT. LTD.

Mahavir Polymers Limited Ahmedabad 382445 Phase-IV, GIDC, Vatva