

REPORT OF THE AUDIT COMMITTEE OF MANGALAM WORLDWIDE LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF MANGALAM SAARLOH PRIVATE LIMITED WITH MANGALAM WORLDWIDE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS AT ITS MEETING HELD ON TUESDAY, 25TH APRIL, 2023 AT 5:00 PM. AT THE REGISTERED OFFICE OF THE COMPANY AT 102, MANGALAM CORPORATE HOUSE, 42, SHRIMALI SOCIETY, NETAJI MARG, MITHAKHALI, NAVRANGPURA, AHMEDABAD – 380 009, GUJARAT, INDIA:

The following Members were present in the meeting:

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|-----------------------------------|----------|
| 1) Mr. Anilkumar Shyamlal Agrawal | Chairman |
| 2) Mr. Chandragupt Prakash Mangal | Member |
| 3) Mrs. Pritu Gupta | Member |

1. Background:

A meeting of the Audit Committee of Board of Directors of Mangalam Worldwide Limited was held on 25th April, 2023, *inter alia*, to consider and recommend the proposed draft Scheme of Amalgamation of Mangalam Saarloh Private Limited ('Transferor Company'), a subsidiary company with Mangalam Worldwide Limited ('Company' / 'Transferee Company') and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the 'Act') ('Scheme').

The Company is engaged in the business of manufacturing of steel products and trading in commodities. The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) – Emerge since 11th July, 2022.

The Transferor Company is Private limited Company having steel manufacturing facility i.e. Rolling Mill at Changodar, Ahmedabad. Transferor Company is 60 % subsidiary of Mangalam Worldwide Limited.

This report of the Audit Committee is made to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the 'SEBI (LODR) Regulations, 2015') and Clause 2(c) of Para A of Part I of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23 2021 ('SEBI Master Circular') and as amended from time to time.

2. The following documents were placed at the meeting:

1. Draft Scheme of Amalgamation
2. Valuation Report dated 25th April, 2023 issued by M/s. Maitri Valuation LLP (Reg. No.: IBBI Reg. No. – IBBI/RV-E/11/2023/184) Independent Registered Valuer to arrive at the Share Swap Ratio.

Mangalam Worldwide Limited
(Formerly known as Mangalam Worldwide Private Limited)
(CIN: L27100GJ1995PLC028381)

Regd. Office: 102, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009, Gujarat (INDIA) Tel: +91 79 61615000 (10 Lines) Email: info@groupmangalam.com Website: www.mangalamsaarloh.com



3. Fairness Opinion Report dated 25th April, 2023 issued by M/s. Beeline Capital Advisors Private Limited, an Independent SEBI registered (Category - I) Merchant Banker, on the valuation of assets / shares done by M/s. Maitri Valuation LLP (Reg. No.: IBBI Reg. No. – IBBI/RV-E/11/2023/184) Independent Registered Valuer
4. Draft Certificate of M/s. Keyur Shah & Co., Statutory Auditors regarding Accounting treatment specified in the draft scheme of amalgamation.

3. Proposed Scheme:

The Silent features of the Proposed Scheme are as under:

(i) Need for the Amalgamation, rational of Scheme and Synergies of business of the companies involved in the Scheme

1. The Transferor Company and Transferee Company are part of the same business group and as the Transferor Company and Transferee Company are similar in similar business, it is proposed to consolidate the activities of these Companies by way of amalgamation of Transferor Company with Transferee Company
2. As the Transferor Company and Transferee Company operates in related business, the amalgamation will consolidate the business of these Companies in a single entity resulting in operational efficiencies, cost competitiveness and business synergies.
3. The proposed amalgamation would result in the following benefits to the Transferor Company and the Transferee Company, their respective shareholders and creditors and will be in long-term interest of customers, employees and other stakeholders
 - (a) Synergies of operations, inter alia, optimization of supply and distribution network and costs;
 - (b) Integration of business thereby providing impetus to the overall growth;
 - (c) Concentrated management focus and improved organisational capability;
 - (d) Integrated, rationalised and streamlined management structure of the merged business;
 - (e) Strengthening of financial position with increased capital base;
 - (f) Facilitate inter transfer of resources and optimum utilisation of assets;
 - (g) Pooling of Management and Administration to result in saving of costs;
 - (h) Avoiding duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances;
 - (i) Synchronizing of efforts to achieve uniform corporate policy;

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4. The Transferee Company has taken on lease the Plant & Machinery and Building of Transferor Company for operational purposes. The Amalgamation would reduce the legal formalities like approval at various levels in company administration.

(ii) Appointed Date: It is proposed that Appointed Date for amalgamation would be 1st April, 2023.

4. Impact of the scheme on the shareholders:

The Company is using Plant & Machinery and Building of Transferor Company on leave and license basis. Post amalgamation, such property would become assets of the Company and the profitability of the Company shall stand increased by saving in the lease rentals with liberty of expansion.

5. Cost Benefit analysis of the Scheme:

Initially, some cost will be incurred for implementation of the Scheme. However, the over the long term horizon, the benefit of the scheme would override the such implementation cost and also the rent saving will enhance the profits.

6. Recommendation of the Audit Committee:

The Audit Committee after due deliberations and due considerations of all terms of the draft scheme, benefits and rational of Scheme and considering facts, recommends the draft scheme for favourable consideration by the Board of Directors of the Company, Stock exchange and SEBI.

Date: 25th April, 2023
Place: Ahmedabad



Anilkumar Shyamlal Agrawal
Chairman of the Audit Committee
DIN: 00528512

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