

**SCHEME OF AMALGAMATION
OF
MANGALAM SAARLOH PRIVATE LIMITED
WITH
MANGALAM WORLDWIDE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This Scheme is presented pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, and also read with Section 2(1B) and other relevant provisions of the Income Tax Act 1961 (IT Act), as applicable for the amalgamation of the Transferor Company into and with the Transferee Company, on a going concern basis.

1. DESCRIPTION OF COMPANIES

- A. Mangalam Saarloh Private Limited (MSPL) is a private limited company originally incorporated on 5th August, 2019 in the name and style of Mangalam Acumen Private Limited under the provisions of the Companies Act, 2013, with the Registrar of Companies, Gujarat. The name of the company was changed to Mangalam Saarloh Private Limited and a fresh certificate of Incorporation consequent upon change of name was issued by Registrar of Companies on 21st August 2020. The CIN is U27100GJ2019PTC109406. The company has its registered office at 205, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad, 380009 in the state of Gujarat. Mangalam Saarloh Private Limited is a subsidiary of Mangalam Worldwide Limited (MWL) as MWL holds 60 % of Equity Share Capital.

Vide order dated 26th July 2022 passed by NCLT, Ahmedabad Bench, under the provisions of Insolvency and Bankruptcy Code, 2016, Vicor Stainless Private Limited -, a steel manufacturing company viz. a Rolling Mill situate at Changodar has been merged with MSPL. Under the Lease and License Agreement, MWL, the parent company is using the manufacturing facilities of MSPL.



At present, Transferor Company has mere business of leasing out above mentioned manufacturing facilities including building, plant and machinery to the Transferee Company.

- B. Mangalam Worldwide Limited was originally incorporated on 11th December 1995 under the provisions of the Companies Act 1956, with the Registrar of Companies, Gujarat as a private limited company in the name and style as “Temchem Exports Private Limited”. The name of the company was changed to “Hindprakash Exim Private Limited” and a Fresh Certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Gujarat on 30th April 2007. The Name of the Company was further changed to “Mangalam Worldwide Private Limited” and Fresh Certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Gujarat on 13th October 2014. The company had altered its Objects Clause of Memorandum of Association by a special resolution and the same was registered by the Registrar of Companies, Gujarat on 8th January 2021. The company was converted into Public Limited Company and the name was changed to “Mangalam Worldwide Limited” consequent upon special resolution passed by the Members of the Company at the Extra Ordinary General Meeting held on 21st February, 2022 and the Register of Companies, Ahmedabad issued Fresh Certificate on 16th March 2022. MWL is a listed company and its equity shares are listed on SME Platform of NSE. the current Corporate Identity Number is L27100GJ1995PLC028381. The registered office of the company is situated at 102, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad, 380009 in the state of Gujarat. The Company is engaged in the business of manufacturing of Stainless-Steel Billets, SS Ingots, SS Flat Bars, SS Round Bars, Seamless Pipes & tubes & Welded Pipes & tubes through three manufacturing units. It is a holding company of Mangalam Saarloh Private Limited.

2. RATIONALE FOR THE SCHEME OF AMALGAMATION

1. The Transferor Company and Transferee Company are part of the same business group and the commercial activities are interconnected. It is proposed to consolidate the activities of these companies by way of amalgamation of these companies.



2. Since the commercial activities are interconnected, 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;

3. DEFINITIONS

In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

3.1 **“Act”** means the Companies Act, 2013 and the rules and regulations made there under, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

3.2 **“Transferor Company”** means Mangalam Saarloh Private Limited, or ‘MSPL’;



- 3.3 **“Transferee Company”** means Mangalam Worldwide Limited, or ‘MWL’;
- 3.4 **“Appointed Date”** means 1st April, 2023, or such other date as may be directed by the NCLT and is the date with effect from which the Scheme shall upon sanction of the same by the NCLT, be deemed to be operative;
- 3.5 **“Board of Directors”** or **“Board”** in relation to each of the Companies, as the case may be, means the board of directors of such company and shall, unless repugnant to the context, include a committee of directors or any person authorized by the Board of Directors or such committee of Directors;
- 3.6 **“Effective Date”** means the date on which the certified copy of the Order of National Company Law Tribunal, Ahmedabad Bench under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 sanctioning the Scheme are filed with the Registrar of Companies, Gujarat at Ahmedabad.
- 3.7 **“Record Date”** means the date to be fixed by the Board of Directors of MWL, the Transferee Company for the purpose of issue of Shares of MWL to the Shareholders of MSPL, upon Scheme being effective.
- 3.8 **“NCLT”** or **“National Company Law Tribunal”** means the National Company Law Tribunal, Ahmedabad Bench or such other forum or authority as may be vested with any of the power to approve the Scheme under the 2013 Act;
- 3.9 **“Scheme”, “the Scheme”, “this Scheme”** means this Scheme of Arrangement in the nature of Amalgamation, with or without any modification approved or imposed or directed by the Tribunal;
- 3.10 **“Undertaking”** means and includes the whole undertaking and entire business of the Transferor Company as a going concern, including, without limitation:
- (a) all the movable and immovable properties, tangible or intangible including all computers and accessories, software, applications



and related data, equity shares and other securities of associate/ subsidiary/ joint venture companies, plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory including, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, inverters, electrical fittings, submersible pumps, electrical erections, cash in hand, amounts lying in the banks, investments, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold/ leasehold rights, brands, sub-letting tenancy rights, leave and license permissions, goodwill, other intangibles, industrial and other licenses, approvals, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties, etc., all earnest monies and/ or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company;

- (b) all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/ or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company;
- (c) all contracts, agreements, purchase orders/ service orders



operation and maintenance contracts, memoranda of understanding, memoranda of undertaking, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff orders, expression of interest, letter of intent, hire purchase agreements, lease/ licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims and clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder;

- (d) investments in shares, debentures and other securities held by the Transferor Company;
- (e) all the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Company; and
- (f) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the business of the Transferor Company.
- (g) all the employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.

All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, 2013, as applicable, the Income Tax Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.



4. INTERPRETATION

- (a) Words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders.
- (b) The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to this entire Scheme or specified Clauses of this Scheme, as the case may be.
- (c) The words "include" and "including" are to be construed without limitation.

5. SHARE CAPITAL

- 5.1 The capital structure of MSPL, the Transferor Company as on 31st March 2023 is as under:

Authorised Share Capital	Amount in Rs.
10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000
Issued, Subscribed & Paid Up Share Capital	Amount in Rs.
5,20,000 Equity Shares of Rs. 10/- each fully paid	52,00,000

There has been no change in the issued, subscribed and paid up share capital of MSPL since the aforesaid date.

- 5.2 The capital structure of MWL, the Transferee Company as on 31st March, 2023 is as under:

Authorised Share Capital	Amount in Rs.
3,97,50,000 Equity Shares of Rs. 10/- each	397,500,000
47,50,000 0.1% non-cumulative redeemable Preference Shares of Rs. 10/- each	47,500,000
28,000 Redeemable Preference Shares of Rs. 10/- each	280,000
Total	445,280,000
Issued, Subscribed & Paid Up Share Capital	Amount in Rs.
2,45,00,674 Equity Shares of Rs. 10/- each fully paid up	24,50,06,740

There has been no change in the issued, subscribed and paid up share capital of MWL after the aforesaid date. However, on 6th April, 2023, the Company has allotted 52,00,000 Convertible Warrants (Warrants) at issue price of Rs. 107/- for each warrant, to promoter and Promoter



group and Public under applicable Regulation of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018 for which 25% the consideration has been paid by the warrant holders. Such Warrants are convertible into equal number of equity shares of Rs. 10/- each at the option of the warrant holders, within 18 months from the date of allotment of such warrants.

6. TRANSFER AND VESTING OF THE UNDERTAKING

6.1 Upon the coming into effect of the Scheme with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the NCLT and pursuant to the provisions of Sections 230 – 232 of the Companies Act, 2013, and all other provisions of applicable law, if any as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, 1961 without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

6.2 Without prejudice to the generality of Clause 6.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date:-

a) All the estate, assets (including intangible assets), properties, investments of all kinds, rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Transferor Company, comprised in the Undertaking of whatsoever nature and where-so-ever situate shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.

b) such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of



transfer by delivery or possession, or by endorsement and/or delivery shall, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed date the assets and properties of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

- c) All other movable properties of the Transferor Company, including investments of all kinds, sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, shall without any further act, instrument or deed, cost or charge, be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.
- d) The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset 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 Company to recover or realize all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to the



Companies Act, 2013 and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.

- e) All immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof. It is however clarified that the applicable stamp duty for such transfer on amalgamation under the order of the Hon'ble Tribunal shall be duly paid.
- f) All lease license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent or lease or license fee as provided for in such agreements, and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.
- g) All permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, indirect tax benefits and



exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof and the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

- h) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, its rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be



fulfilled by the Transferee Company as if it is the duly constituted attorney of that Transferor Company.

- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any membership, deposit, advances, receivables or claims) arising or accruing there from, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits its, rights, entitlements, licenses, memberships of the Transferee Company. Such property and rights shall stand vested in the Transferee Company and shall be deemed to have become the property of the Transferee Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.
- j) All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.
- k) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, goods and services tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, as would have been available to the Transferor Company, shall pursuant to this



Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Transferee Company with effect from Appointed Date in terms of section 72A of Income Tax Act.

- l) The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, goods and services tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- m) All statutory rights and obligations of Transferor Company would vest on/accrue to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or Central and/or State Goods and Services Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relatable to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfilment of its obligations.
- n) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall stand transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken and complied with by the Transferee Company.
- o) The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Companies Act, 2013



applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

- p) Such of the assets comprised in the Undertaking and which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.

6.3 Without prejudice to the generality of Clause 6.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date: -

- a) all the Liabilities, whether or not provided in the books of the Transferor Company, shall without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- b) all Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- c) any Liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.



- d) all loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
- e) loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

7. EMPLOYEES

- 7.1 Upon the coming into effect of this Scheme, all employees, if any, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.



7.2 The provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits, if any, created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.

7.3 The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

7.4 The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

8. LEGAL PROCEEDINGS

8.1 All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company shall not abate,



discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

8.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.

8.3 The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Transferor Company transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

9. CONDUCT OF BUSINESS

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

- (a) the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Transferee Company;
- (b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by the Transferor Company for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;
- (c) any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by



- the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company;
- (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in a foreign country, sales tax, valued added tax, goods and services tax, excise duty, customs duty, service tax, VAT, tax refunds) payable by or refundable to the Transferor Company, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Transferor Company) as the case may be, of the Transferee Company, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Transferor Company on or before the Effective Date, shall be available to the Transferee Company upon the Scheme coming into effect; and

9.2 Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or with effect from the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company.

10. CONSIDERATION

10.1 The Transferee Company shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date in the following Ratio ("**Share Entitlement Ratio**" or "Share Exchange Ratio" or "Share Swap Ratio"):

"245 (Two Hundred and Forty Five) fully paid up Equity shares of Rs.10/- (Rupees Ten only) each of MWL, the Transferee Company for every 100 (One Hundred) fully paid Equity shares of Rs.10/- (Rupees Ten only) each held by the shareholder in MSPL, the Transferor Company."

10.2 The Share Exchange Ratio has been arrived at on basis of the valuation report of M/s. Maitri Valuation LLP, Registered Valuer having Registration No. Reg. No.: IBBI Reg. No. – IBBI/RV-E/11/2023/184.



10.3 No new equity shares shall be issued by the Transferee Company against the shares held by the Transferee Company in the Transferor Company.

10.4 For the purpose of the allotment of the Transferee Company New Equity Shares, pursuant to this Scheme, in case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated Transferee Company New Equity Shares to a trustee (nominated by the Board of the Transferee Company in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 days from the date of allotment of the Transferee Company New Equity Shares as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company pertaining to the fractional entitlements.

10.5 Upon the new equity shares in Transferee Company being issued and allotted to the equity shareholders of Transferor Company in terms of Clause 10.1 above, the equity shares of Transferor Company shall be deemed to have been automatically cancelled and be of no effect.

10.6 The shares to be issued and allotted by the Transferee Company in terms of Clauses 10.1 above shall be subject to the provisions of the Memorandum and Articles of association of the Transferee Company and shall rank *pari passu* in all respects with the existing shares of Transferee Company.

10.7 The issue and allotment of shares by the Transferee Company to the equity shareholders of the Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried



out without any further act or deed by Transferee Company as if the procedure laid down under Section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions were duly complied with.

- 10.8 The equity shares issued by the Transferee Company to the Shareholders of Transferor Company, as applicable shall be listed and admitted to trading on the Stock Exchanges i.e. NSE EMERGE (SME) Platform, pursuant to this Scheme and in compliance with the applicable regulations and the applicable SEBI circulars. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of SEBI circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it.

11. ACCOUNTING TREATMENT

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation in its books at the close of business on the day immediately preceding the Appointed Date in accordance and in compliance with methods of accounting prescribed under the Pooling of Interest Method of Accounting Standard 14, as notified under Section 133 of the Act, read with applicable rules as under:

- (a) With effect from the Appointed Date, all the assets and liabilities appearing in the books of account of the Transferor Company (including Reserves, if any) shall stand transferred to and vested in the Transferee Company at their existing carrying amounts and in same form as at the date of the amalgamation.
- (b) The face value of the new Equity Shares of the Transferee Company issued to the shareholders of the Transferor Company pursuant to clause 10.1 shall be credited to the Equity Share Capital account in the books of the Transferee Company.
- (c) Upon the scheme being effective, the inter-company balances and inter-company investments, if any, appearing in the books of accounts of the Transferor Company and the Transferee Company shall stand cancelled.
- (d) The difference being the excess of Net Asset Value of the Transferor Company with respect to its undertaking transferred to and recorded by the Transferee Company as per clause 11 (a) above and the face value of the Equity Shares allotted, if any, shall be credited.



to Capital Reserve of the Transferee Company. The shortfall, if any shall be debited to the Goodwill account of the Transferee Company.

12. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act, instrument or deed, stand dissolved without winding-up.

13. CONSOLIDATION OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM OF ASSOCIATION

A. CAPITAL CLAUSE:

- 13.1 As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Transferor Company amounting to Rs. 1,00,00,000/-or the amount as on the Effective Date shall, without any further act, instrument or deed and the fees paid by the Transferor Company on its Authorised Share Capital shall be set off against the fees payable by the Transferee Company on its Authorised Share Capital subsequent to the amalgamation in terms of Section 232(3)(i) of the Companies Act, 2013.
- 13.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, stand altered, modified and amended pursuant to Sections 13, 61 and 62 of the 2013 Act and other applicable provisions of the Companies Act, 2013, as the case may be and be replaced accordingly. Consequently, Clause V of the Memorandum of Association of the Transferee Company shall, without any act, instrument, or deed, be and stand altered, modified and amended pursuant to applicable provisions of the Companies act, 2013. The revised capital clause of the Transferee Company shall be as under:

“V. The Authorised Share Capital of the Company is Rs. 45,52,80,000/- (Rupees Forty Five Crore Fifty Two Lakhs Eighty Thousand Only) divided into 40750000 (Four Crore Seven Lakhs Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each; 4750000 (Forty Seven Lakhs Fifty Thousand) 0.1% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each and 28000 (Twenty Eight Thousand) Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each with such rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to



increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to classify and re-classify such shares from one class into shares of other classes and attach thereto respectively such preferential, deferred, qualified, or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or legislative provisions for the time being in force on that behalf and to vary, modify, restrict or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.”

- 13.3 It is further clarified that under the accepted principle of single window clearance, the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for the proposed amendment of the Capital clause of the Memorandum of Association of the Transferee Company, under the provisions of Section 13, 61 and 62 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. The Transferee Company shall not be required to pass separate resolutions or undertake any further procedure as required under the Act.

14. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The transfer of the Undertaking to the Transferee Company is and shall be conditional upon and subject to the following approvals, sanctions, orders and consents:

- 14.1 Obtaining observation letter or no-objection letter from the Stock Exchange in respect of the Scheme, pursuant to Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') read with Master Circular dated 23rd November 2021 from SEBI and Regulations 11 and 94 of the LODR Regulations;
- 14.2 The Scheme being approved by the requisite majority both by value and number by such classes of shareholders and/or creditors (where applicable) of the Transferor Company and the Transferee Company as may be directed by the Tribunal, as required under Applicable Law.



- 14.3 The Scheme being approved also by requisite majority of the public shareholders of the Transferee Company as required under SEBI Circular.
- 14.4 The sanction of the National Company Law Tribunal under Sections 230 to 232 of the said Act and to the necessary Order under Section 232 of the Act on behalf of the Transferor and Transferee Companies being obtained.
- 14.5 The certified/ authenticated copies of the Order(s) passed by the Tribunal sanctioning the Scheme being filed with the Registrar of Companies (RoC) by the Transferor Company and the Transferee Company.

15. DIVIDEND

- 15.1 The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.
- 15.2 The holders of the shares of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- 15.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Companies to demand or claim any dividends which, subject to the provisions of the Companies Act, 2013, as applicable, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.

16. APPLICATIONS

- 16.1 The Companies shall undertake requisite procedure for filing necessary application and petition before the Ahmedabad Bench of National Company Law tribunal under Sections 230 to 232 of the Companies Act, 2013, seeking orders for dispensing with or convening, holding and/or conducting of the meeting(s) of the classes of their respective



shareholders and creditors and for sanctioning this Scheme with such modifications, as may be approved by the NCLT.

16.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

17. MODIFICATIONS TO THE SCHEME

The Companies (by their respective Board of Directors) may, in their full and absolute discretion:

- (a) assent to any alteration(s) or modification(s) to this Scheme which NCLT and/or any other Governmental Authority may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
- (b) give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law);
- (c) modify or vary this Scheme; or
- (d) if any part of this Scheme is found to be unworkable for any reasons whatsoever withdraw this Scheme prior to the Effective Date in any manner at any time; or
- (e) Determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.

18. THE SCHEME TO BE OPERATIVE

18.1 The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date.

18.2 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorized to carry on the businesses of the Transferor Company. The Transferee Company is and shall always be deemed to



have been authorized to execute any pleadings, applications, forms etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

18.3 The Transferor Company and the Transferee Company shall be entitled to, amongst other, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax returns, Goods and Service Tax returns, excise returns, VAT returns, entry tax returns, professional tax returns or any other statutory returns, if required. The Transferee Company shall be entitled to claim credit for advance tax paid, tax deducted at source, claim for deduction of sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written off by Transferor Company previously disallowed in the hands of Transferor Company under the Income Tax Act, credit of tax under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to the Transferor Company as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. The Transferee Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of, the Transferor Company relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit or refund for such taxes or duties.

18.4 Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted at source and deposited by the Transferor Company on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further TDS deposited, TDS certificates issued or TDS returns filed by the



Transferor Company on transactions other than inter se transactions during the period between Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company. Any TDS deducted by, or on behalf of, the Transferor Company on inter se transactions will be treated as tax deposited by the Transferee Company.

18.5 Transfer and vesting of assets and liabilities of the Transferor Company (including intangible assets, whether or not recorded in the books) as the case may be is not a sale in the course of business or otherwise.

19. COSTS

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Companies in relation to or in connection with the Scheme and incidental to the completion of the Amalgamation in pursuance of the Scheme shall be borne by Transferee Company.

