

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 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

