

FORM NO. CAA. 2

[Pursuant to Section 230 (3) of the Companies Act 2013 and rules 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

CA (CAA) No 1652 of 2018

IN THE MATTER OF SCHEME OF AMALGAMATION AMONG

SAGE METALS PRIVATE LIMITED

AND

GLUHEND INDIA PRIVATE LIMITED

Details of the applicants:

1. SAGE METALS PRIVATE LIMITED, a private limited company incorporated under the Companies Act, 1956, having its registered office at 23, Floor-2, Plot-59/61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai - 400005 represented by its authorised signatory, Bhupesh Chhajer.

CIN: U28998MH1983PTC313652

Email: accounts@sagemetals.co.in; Website: www.sagemetals.com

.....Applicant No. 1 / Transferor Company

2. GLUHEND INDIA PRIVATE LIMITED, a private limited company incorporated under the Companies Act, 2013, having its registered office at 23, Floor-2, Plot-59/61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai - 400005 represented by its authorised signatory, Bhupesh Chhajer.

CIN: U74994MH2017FTC303216

Email: compliance.gluhend@gmail.com; Website: www.gluhend.com

..... Applicant No. 2 / Transferee Company

Notice and advertisement of notice of the meeting of Equity Shareholders

Notice is hereby given that by an order dated 8 January 2019, the Mumbai Bench of the National Company Law Tribunal has directed a meeting to be held of Equity Shareholders of Sage Metals Private Limited ("Transferor Company") and Gluhend India Private Limited ("Transferee Company") for the purpose of considering, and if thought fit, approving with or without modification, the scheme of amalgamation between the Transferor Company with the Transferee Company (the scheme hereinafter referred to as the "Scheme of Amalgamation") whereby and whereunder, the entire undertaking of the said Transferor Company together with all rights, interests, claims, duties and obligations of the Transferor Company relating thereto is proposed to be transferred to the Transferee Company on the terms and conditions stated therein.

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Equity Shareholders of the Transferor Company ("Meeting") will be held on 24 February 2019 at 11 AM at the registered office of the Transferor Company (i.e., 23, Floor-2, Plot-59/61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai - 400005).

Copies of the Scheme of Amalgamation, and of the statement under section 230 can be obtained free of charge from 10 AM to 5 PM Monday to Friday, at the registered office of the Transferor Company, situated at 23, Floor-2, Plot-59/61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai - 400005. Persons entitled to attend and vote at the Meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Transferor Company, situated at 23, Floor-2, Plot-59/61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai - 400005, not later than 48 hours before the meeting.

Forms of proxy can be had at the registered office of the Transferor Company, between 10 AM and 5 PM, Monday to Friday.

The Tribunal has appointed Mr Bhupesh Chhajer, Director, and failing him, Mr Ankit Mahnot, as chairperson of the Meeting and Ms Nikita Kothari, Company Secretary, as scrutinizer for the Meeting. The Scheme of Amalgamation, if approved by the Meeting, will be subject to the subsequent approval of the Tribunal.

sd/-

Bhupesh Chhajer

Chairperson appointed for the meeting of the Equity Shareholders of the Transferor Company

Dated this 23rd day of January 2019

STATEMENT OF DISCLOSURES AND EXPLANATORY STATEMENT

[pursuant to section 230 (3) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

1. Details of the order of the Tribunal directing the calling, convening and conducting of the meeting of equity shareholders (“Meeting”):

- a. Authority: National Company Law Tribunal, Mumbai Bench
- b. Date of the Order: 8 January 2019
- c. Date, Time and Venue of the Meeting:

The Meeting shall be held on 24 February 2019 at 11 AM at the registered office 23, Floor-2, Plot-59/61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai – 400005.

2. Details of the Transferor Company:

- a. Corporate Identification Number (CIN): U28998MH1983PTC313652
- b. Permanent Account Number (PAN): AAACS2801A
- c. date of incorporation: 8 March 1983
- d. type of company: Private company
- e. registered office address: 23, Floor-2, Plot-59/61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai – 400005
- f. e-mail address: accounts@sagemetals.co.in
- g. summary of main object as per the memorandum of association; and main business carried on by the Transferor Company:

The Transferor Company is engaged primarily in the business of manufacturing electricals and industrial products. A summary of the main object of the Transferor Company as set out in its memorandum of association are provided below:

- *“To deals in export, import, manufacture, process all type of electrical wiring, accessories and fittings viz. clamps, connectors, lock nuts, screws, bushings, nipples, couplings, washers, elbows, straps, gaskets, covers, chains, bearings etc. whether cast machined or formed and components thereof, of any description, whether made of ferrous or non-ferrous metals and their alloys and plastic.*
- *To carry on the business or businesses of manufacturer, importers, exporters and dealers in all types of ferrous and non-ferrous alloys, scraps, ingots, plates, sheets, coils, circles, wire rods, section and wares.*
- *To carry on the business or businesses of manufacturer, importers, exporters and dealers in all types of cast, machined, stamped, and formed metallic parts for use in drainage and sanitary fittings, parts (pumps, sprinklers, valves etc.) used in mechanized agriculture, automotive part, parts and components used in industrial and allied application.*
- *To, in the ordinary course, advances loans, gives guarantee or provides security, in each case not amounting to the business of “banking” (as defined*

in the Banking Regulation Act, 1949), only to such bodies-corporate that are group entities, affiliates, holding companies or subsidiaries of the Company.”

h. details of change of name, registered office and objects of the Transferor Company during the last five years:

(i) Change of name

The name of the Transferor Company was changed from Sage Metals Limited to Sage Metals Private Limited upon conversion from public company to private company and a certificate of incorporation was issued by the Registrar of Companies, Delhi on 8 June 2018.

(ii) Change of registered office

The registered office of the Transferor Company was shifted from 346 FIE Patparganj, Delhi, India, 110092 to 23, Floor-2, Plot-59/61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai – 400005 and the same was confirmed by an order of the Regional Director dated 6 August 2018.

i. name of the stock exchange (s) where securities of the Transferor Company are listed:
Not Applicable

j. details of the capital structure of the Transferor Company including authorized, issued, subscribed and paid up share capital as on 24 January 2019:

SHARE CAPITAL	INR
Authorised Share Capital	
2,25,000 equity shares of INR 100 each	2,25,00,000
Total	2,25,00,000
Issued, Subscribed and Paid-up Share Capital	
2,11,200 equity shares of INR 100 each, fully paid up	2,11,20,000
Total share capital	2,11,20,000

k. name of the promoters and directors along with their addresses:

Details of Promoters:

Name	Address
Gluhend India Private Limited	23, Floor-2, Plot-59/61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai – 400005

Details of Directors:

Name	Address
Nidhi Bothra	B-256, Vivek Vihar Phase – I, New Delhi – 110095 India
Bhupesh Chhajer	2 nd Floor, Flat No. 2A, Dayabati Mansion, 13 KYD Street, Calcutta – 700016 India

Michael Rakiter	240 East 39 Street, Apt 19 A, New York – 10016, United States of America
Sanjay Kumar Sanghooe	155E, 29 th Street, 31B, New York – 100016 United States
Matthew Constantino	1200, Broadway 8B, New York – 10001 United States of America
Shashi Kumar Nayar	415, Sector – 37, Near water tank, Noida – 201303 India

3. Details of the Transferee Company:

- a. Corporate Identification Number (CIN): U74994MH2017FTC303216
- b. Permanent Account Number (PAN): AAHCG1238N
- c. date of incorporation: 22 December 2017
- d. type of company: Private company
- e. registered office address: 23, Floor-2, Plot-59/61, Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai – 400005
- f. e-mail address: compliance.gluhend@gmail.com
- g. summary of main object as per the memorandum of association; and main business carried on by the Transferee Company:

The Transferee Company is engaged primarily in the business of manufacturing electricals and industrial products. A summary of the main object of the Transferee Company as set out in its memorandum of association are provided below:

- *“To deals in import, export, manufacture, process all type of electrical wiring, accessories and fittings viz. clamps, connectors, lock nuts, screws, bushings, nipples, couplings, washers, elbows, straps, gaskets, covers, chains, bearings etc. whether cast machined or formed and components thereof, of any description, whether made of ferrous or non-ferrous metals and their alloys and plastic.*
- *To carry on the business or businesses of manufacturer, importers, exporters and dealers in all types of ferrous and non-ferrous alloys, scraps, ingots, plates, sheets, coils, circles, wire rods, section and wares.*
- *To carry on the business or businesses of manufacturer, importers, exporters and dealers in all types of cast, machined, stamped, and formed metallic parts for use in drainage and sanitary fittings, parts (pumps, sprinklers, valves etc.) used in mechanized agriculture, automotive part, parts and components used in industrial and allied application.*
- *To provide various services in relation to the foregoing, including manpower supply services, facility management services, asset licensing/leasing services, export activity support services, consultancy services, etc.”*

- h. details of change of name, registered office and objects of the Transferee Company during the last five years: None.
- i. name of the stock exchange (s) where securities of the Transferee Company are listed: Bombay Stock Exchange.

- j. details of the capital structure of the Transferee Company including authorized, issued, subscribed and paid up share capital as on 24 January 2019:

SHARE CAPITAL	INR
Authorised Share Capital	
3,21,23,038 equity shares of INR 10 each	32,12,30,380
22,97,47,584 class A compulsorily convertible preference shares of INR 10 each	229,74,75,840
9,87,910 class B compulsorily convertible preference shares of INR 10 each	98,79,100
48,41,469 class C compulsorily convertible preference shares of INR 10 each	4,84,14,690
Total	267,70,00,010
Issued, Subscribed and Paid-up Share Capital	
3,21,23,038 equity shares of INR 10 each, fully paid up	32,12,30,380
Total equity share capital	32,12,30,380
16,70,37,370 class A compulsorily convertible preference shares of INR 10 each, fully paid up	1,67,03,73,700
6,77,644 class B compulsorily convertible preference shares of INR 10 each, fully paid up	67,76,440
33,23,681 class C compulsorily convertible preference shares of INR 10 each, fully paid up	3,32,36,810
Total preference share capital	1,71,03,86,950
Total share capital	2,03,16,17,330

- k. name of the promoters and directors along with their addresses:

Details of Promoters:

Name	Address
Delos Sage Holdco Cooperateif UA	Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands

Details of Directors:

Name	Address
Nidhi Bothra	B-256, Vivek Vihar Phase – I, New Delhi – 110095 India
Bhupesh Chhajer	2 nd Floor, Flat No. 2A, Dayabati Mansion, 13 KYD Street, Calcutta – 700016 India
Michael Rakiter	240 East 39 Street, Apt 19 A, New York – 10016, United States of America

Sanjay Kumar Sanghooe	155E, 29 th Street, 31B, New York – 100016 United States
Mathew Constantino	1200, Broadway 8B, New York – 10001 United States of America
Shashi Kumar Nayar	415, Sector – 37, Near water tank, Noida – 201303 India

4. Facts and details of any relationship subsisting between the Transferor Company and the Transferee Company: The Transferor Company is a subsidiary of the Transferee Company.
5. Details of meeting of the board of directors of the Companies at which the resolution approving the scheme was passed:

The Board of Directors of the Transferor Company and Transferee Company have unanimously approved the scheme of amalgamation and have each passed resolutions dated 10 December 2018 with respect thereto.

S. No.	Name of the Company	Name of Director	Approved the Scheme
1.	Sage Metals Private Limited (Transferor Company)	Bhupesh Chhajer	Yes
		Shashi Kumar Nayar	Yes
2.	Gluhend India Private Limited (Transferee Company)	Bhupesh Chhajer	Yes
		Shashi Kumar Nayar	Yes

6. Explanatory Statement disclosing details of the scheme or amalgamation:
- a. parties involved in such arrangement:
- Transferor Company: Sage Metals Private Limited, a private limited company incorporated under the Companies Act, 1956, having CIN U28998MH1983PTC313652.
- Transferee Company: Gluhend India Private Limited, a private limited company incorporated under the Companies Act, 2013, having CIN U74994MH2017FTC303216.
- b. appointed date: 13 March 2018
- c. effective date: The date on which the certified copy of the order issued by the NCLT sanctioning this Scheme is filed by the Transferee Company and Transferor Company with the Registrar of Companies, Mumbai.
- d. share exchange ratio:
- 2,283.847 equity shares of the face value of INR 10 each (credited as fully paid up) of the Transferee Company for 1 equity share of the face value of INR 100 each held in the Transferor Company; or
 - 2,283.847 Class D CCPS (credited as fully paid up) of the Transferee Company for 1 equity share of the face value of INR 100 each held in the Transferor Company; or

- iii. 2,446 ROCPS (credited as fully paid up) of the Transferee Company for 1 equity share of the face value of INR 100 each held in the Transferor Company; or
 - iv. a combination of one or more of the modes provided above, in accordance with the ratios provided therein.
- e. other considerations, if any: None.
- f. summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any:

The valuation of the shares of the Transferor Company as well as the transferee company has been done by BSR & Associates LLP vide their report dated 10th December 2017 ("Valuation Report"). Per the Transferee Valuation Report, the fair value of 1 equity share each of the Transferor Company (calculated on the basis of Discounted Cash Flow Method) and of the Transferee Company (calculated on the basis of Discounted Cash Flow Method) as on 30 September 2018 are as follows.

A brief explanation of the valuation method adopted is as follows:

Discounted Cash Flow Method (DCF Method):

Under the DCF Method the projected cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm. Using the DCF analysis involves determining the following:

- (i) Estimating the future free cash flows – Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.
- (ii) Appropriate discount rate to be applied to cash flows i.e. the cost of capital – This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

The valuation report is available for inspection at the registered office of the Transferor Company.

- g. details of capital/debt restructuring, if any: None
- h. rationale for the compromise or arrangement:

The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and will result in the following benefits:

- Consolidating the Business and synergies in the Transferee Company and enabling the merged entity to become cost competitive and efficient in its operations. It will also result in a single, simple consolidated and transparent ownership structure;
- More focused operational efforts, realising synergies in terms of compliance, governance, administration and costs;
- Greater efficiency in cash management of the merged entity and unfettered access to cash flows generated by the combined Business which can be deployed more efficiently to maximize shareholder value;

- The merged entity will experience operational synergies in areas such as raw material sourcing, product placement, management and operations, marketing and sales promotion initiatives, freight optimization and logistics;
 - The Transferee Company will gain the benefit of improved organizational capability and leadership which will help it to compete successfully in the industry.
- i. benefits of the compromise or arrangement as perceived by the Board of directors to the companies involved, members, creditors and others (as applicable): As set out in item 6.h. above.
 - j. amount due to unsecured creditors by the Transferor Company:
INR 409,068,955 (Rupees Four Hundred and Nine Million Sixty Eighty Thousand Nine Hundred Fifty Five only)
 - k. amount due to unsecured creditors by the Transferee Company:
INR 99,584,567 (Rupees Ninety Nine Million Five Hundred Eighty Four Thousand Five Hundred Sixty Seven only)
7. Disclosures of the effect of the scheme on:
 - a. key managerial personnel: None.
 - b. directors: None.
 - c. promoters: None.
 - d. non-promoter members: None.
 - e. depositors: None.
 - f. creditors: All subsisting liabilities of the Transferor Company will be transferred to the Transferee Company in accordance with the scheme.
 - g. debenture holders: None.
 - h. deposit trustee and debenture trustee: None.
 - i. employees of the Transferor Company: All employees of the Transferor Company will be transferred to the rolls of the Transferee Company.
 - j. general disclosure of effect of the scheme: Transferor Company to be dissolved upon successful implementation of the scheme.
 8. The amalgamation shall not have any adverse effect on material interests of directors, Key Managerial Personnel (KMP) and debenture trustee of either company.
 9. Details of investigation or proceedings, if any, pending under the Act against the companies involved: There are no investigations or proceedings pending under the Act against the companies involved.
 10. Details of the availability of the following documents for obtaining extract from or for making/obtaining copies of or for inspection by the members and creditors, namely:

- a. latest audited financial statements of the company including consolidated financial statements: Available
 - b. copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with: Available.
 - c. copy of scheme of compromise or arrangement: Available.
 - d. contracts or agreements material to the compromise or arrangement: Available.
 - e. the certificate issued by Auditor of the company to the effect that the accounting treatment if any proposed in the scheme of compromise or arrangement is in conformity with the Accounting standards prescribed under section 133 of the Companies Act, 2013: Available.
 - f. such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the scheme: Available.
- Note: All documents will be available during office working hours.*
11. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other government authorities required, received or pending for the purpose scheme of compromise or arrangement: None.

Persons to whom the notice is sent may vote in the meeting either in person or by proxies.

Sd-

Bhupesh Chhajer

Chairman of the meeting of Equity Shareholders of the Transferor Company

For any queries, please contact us at accounts@sagemetals.co.in.