

RRIL LIMITED

(Formerly known as S R K Industries Limited)

Registered Office: A-325, Hari Om Plaza, M.G. Road, Near Om Kareshwar Temple,
Borivali East Mumbai – 400066, Maharashtra

Corporate Identity Number (CIN): L17121MH1991PLC257750

Phone: (022) - 28959644, **Email:** office@rrillimited.com, **Website:** www.rrillimited.com

NOTICE TO SECURED AND UNSECURED CREDITORS OF RRIL LIMITED UNDER SECTION 230 (3) OF THE COMPANIES ACT, 2013

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**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. CA (CAA) NO. 1076/MB/2020**

**IN THE MATTER OF SECTIONS 230 TO 232 READ AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER
AND
IN THE MATTER OF SCHEME OF MERGER BY ABSORPTION
OF
KRKUMAR INDUSTRIES LIMITED
BY
RRIL LIMITED**

RRIL Limited

CIN: L17121MH1991PLC257750

Registered office: A-325, Hari Om Plaza, M.G. Road,

Near Om Kareshwar Temple,

Borivali East Mumbai, Maharashtra- 400066

APPLICANT/ TRANSFEREE COMPANY

To,

Secured/ Unsecured Creditors of RRIL Limited (“Applicant Company” or “Transferee Company” or “Company”)

Notice is hereby given that by an order dated 16th December, 2020 the Mumbai Bench of National Company Law Tribunal has directed the Applicant Company to issue notice to all its Secured / Unsecured Creditors under Section 230 (3) of the Companies Act, 2013 with a direction to submit their representations, if any, in connection with Scheme of Merger by Absorption of KRKumar Industries Limited (“**Transferor Company**”) by RRIL Limited (“**Transferee Company**”) under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Mumbai Bench.

A copy of the Scheme of Merger by Absorption alongwith other relevant annexures is enclosed. Copy of the Scheme and the said Explanatory Statement can be obtained free of charge by emailing to the Applicant Company at office@rillimited.com.

You as Secured / Unsecured Creditor of the Applicant Company may submit your representation, if any, in connection with the proposed Scheme of Merger by Absorption to the National Company Law Tribunal, Mumbai Bench in Division Bench No. III (“Tribunal”) at 5th Floor, MTNL Exchange Building, G.D. Somani Marg Chamundeshwari Nagar, Cuffe Parade, Mumbai- 400 005, Maharashtra. Copy of the representations shall simultaneously be sent to the Applicant Company by emailing on office@rillimited.com.

Place : Mumbai
Date : 18.12.2020

For RRIL Limited
Sd/-
Ratanchand D. Jain
Chairperson appointed for the meeting
DIN: 01604521

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. CA (CAA) NO. 1076/MB/2020
IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER
AND
IN THE MATTER OF SCHEME OF MERGER BY ABSORPTION
OF
KRKUMAR INDUSTRIES LIMITED
BY
RRIL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS**

RRIL Limited

CIN: L17121MH1991PLC257750

Registered office: A-325, Hari Om Plaza, M.G. Road,

Near Om Karsehwar Temple,

Borivali East Mumbai,

Maharashtra- 400066

APPLICANT/ TRANSFEREE COMPANY

EXPLANATORY STATEMENT UNDER SECTION 230-232 OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 FOR THE MEETING OF EQUITY SHAREHOLDERS OF RRIL LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL.

In this statement, KRKumar Industries Limited is hereinafter referred to as 'KRK' or 'the Transferor Company', and RRIL Limited is hereinafter referred to as 'RRIL' or 'the Transferee Company' or 'the Company'. The other definitions contained in the Scheme will apply to this Explanatory Statement also. The following statement as required under Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the Directors in their capacity as members.

1. Pursuant to an Order dated 16th December, 2020 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') in the Company Application No. 1076 of 2020 referred to hereinabove, the Applicant Company is required to issue Notice to its Secured and Unsecured Creditors as required under Section 230 (3) of the Companies Act, 2013 with a direction to submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon Applicant Company for the proposed Scheme of Merger by Absorption of KRKumar Industries Limited ('KRK' or 'the Transferor Company') with RRIL Limited ('RRIL' or 'the Transferee Company') and their respective Shareholders ('the Scheme' or 'this Scheme').
2. As directed by the Hon'ble NCLT, the Transferee Company is convening a Meeting of its Equity Shareholders on 22nd January, 2021 through Video Conferencing (VC) / Other Audio Visual Means (OAVM), who are required to pass the resolution approving the Scheme by, inter-alia, e-voting.
3. The draft Scheme was placed before the Audit Committee, Board of Directors of the Transferee Company and Board of Directors of the Transferor Company at their respective meetings held on 5th March, 2020. In accordance with the provisions of SEBI Circular, the Audit Committee of the Company vide a resolution passed on 5th March, 2020 recommended the Scheme to the Board of Directors of the Company *inter-alia* taking into account:
 - a. Valuation Report dated March 04, 2020 issued by Mr. Dinesh Kumar Deora (Registered Valuer- Securities or Financial Assets).
 - b. Fairness Opinion Report dated March 05, 2020 issued by Mark Corporate Advisors Private Limited; a SEBI registered Merchant Banker providing the Fairness Opinion on the share entitlement recommended in the Valuation Report prepared by Mr. Dinesh Kumar Deora (Registered Valuer- Securities or Financial Assets).
 - c. Draft Certificate obtained from the Statutory Auditors of the Company i.e. Subramaniam Bengali & Associates, Chartered Accountants to the effect that the accounting treatment contained in the

Scheme is in compliance with all the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles in India.

Copy of the Valuation Report and Fairness Opinion is enclosed to this Notice.

4. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Applicant Company has come to the conclusion that the Scheme is in the best interest of the Applicant Company and its Shareholders.
5. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three- fourths in value of the equity shareholders of the Transferee Company, voting in person through VC/ OAVM or e-voting, agree to the Scheme.
6. In terms of the SEBI Circular, the Scheme shall be acted upon only if the votes casted by the Public Shareholders of the Transferee Company are in favor of the resolution for the approval of the Scheme are more than the number of votes casted by the Public Shareholders against it.
7. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.
8. The Board of the Directors of Transferee Company took on record on 8th May, 2020, the Addendum to the Valuation Report dated 4th March, 2020 issued by Dinesh Kumar Deora, Registered Valuer-Securities or Financial Assets on 8th May, 2020 as approved by the Audit Committee of the Board on 8th May, 2020.

Details of KRKumar Industries Limited ('the Transferor Company' or 'KRK')

9. KRKumar Industries Limited, an unlisted public Company was originally incorporated under the name of "Alimco Food Industries Private Limited" under the Companies Act, 1956 on 25th March, 1987. Thereafter, Alimco Food Industries Private Limited changed its name to Alimco Industries Private Limited on 28th March, 2003. The name of the Company was further changed to Mecron Infra Private Limited on 2nd July, 2011. Mecron Infra Private Limited further changed its name to KRKumar Industries Private Limited on 30th January, 2014. The company was subsequently converted into a public limited company and consequent upon the said change of status, the name of the company was changed from KRKumar Industries Private Limited to its present name i.e. KRKumar Industries Limited on 10th December, 2014. It is engaged in the business of activities pertaining to Construction and Textile activities. .
10. The Registered office of the Transferor Company situated at 101, Raj Bhavan, Daulat Nagar Road No. 9, Borivali (East) Mumbai, Maharashtra- 400066. The Corporate Identification Number (CIN) is U45203MH1987PLC042969. The Permanent Account Number of the Company is AAACA4428P. The Email of the Company is krkumarltd@gmail.com .
11. The Transferor Company has no Secured Creditor as on 30th June, 2020.
12. The Transferor Company has 3 Unsecured Creditors and the total amount due and payable by the Transferor Company to the aforementioned Unsecured Creditors is Rs.72,55,000/- as on 30th June, 2020.
13. The Transferor Company is not listed on any stock exchange.
14. The Board of Directors of Transferor Company along with their addresses are as follows:

| Sr. No. | Name of the Directors | Address |
|---------|---------------------------|------------------------------------------------------------------------|
| 1. | Mr. Kiran Ratanchand Jain | 501, Raj Bhavan, Daulat Nagar Road No 9, Borivali East, Mumbai-400066. |

| | | |
|----|-------------------------|-----------------------------------------------------------------------------------------------------------------|
| 2. | Ms. Priya Ganpath Jain | 701, New Kamal Kunj, Road No.9 and 4, Daulat Nagar, Opp Hinduja Hall, Borivali (East), Mumbai-400066 |
| 3. | Mr. Hiren Dhanji Chheda | Flat No.-13, B- Wing, 825 Khosarvi Estate, 2nd Floor, S.K. Bole Road, Agar Bazar, Dadar (West), Mumbai- 400028. |

15. The Promoters of Transferor Company along with their addresses are as follows:

| Sr. No. | Name of the Promoters | Address |
|---------|----------------------------------|------------------------------------------------------------------------------------------------------|
| 1. | Mr. Ratanchand D Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |
| 2. | Mr. Kiran Ratanchand Jain | 501, Raj Bhavan, Daulat Nagar Road No 9, Borivali East, Mumbai-400066. |
| 3. | Mr. Ganpath Ratanchand Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |
| 4. | Ms. Rekha Harish Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |
| 5. | Mr. Harish Ratanchand Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |
| 6. | Ms. Priya Ganpath Jain | 701, New Kamal Kunj, Road No.9 and 4, Daulat Nagar, Opp Hinduja Hall, Borivali (East), Mumbai-400066 |
| 7. | Mrs. Suraj Devi Ratan Chand Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |

16. The details of the issued, subscribed and paid-up share capital of the Transferor Company as on date is as under:

| Particulars | Amount in Rs. |
|--------------------------------------------------------|--------------------|
| Authorised Share Capital | |
| 50,00,000 Equity Shares of Rs.10/- each. | 5,00,00,000 |
| TOTAL | 5,00,00,000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 30,80,000 Equity Shares of Rs.10/- each fully paid up. | 3,08,00,000 |
| TOTAL | 3,08,00,000 |

17. The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main objects of the Transferor Company are set out hereunder:

1. *To carry on the business of manufacturing, processing, folding, decadizing, calendering, selling, buying, importing and exporting, dyeing, bleaching, mercerizing, combing, preparing, spinning, weaving, sanforizing, mercerizing, printing, undertaking job work and otherwise dealing in cotton, rayon, silk, yarn, jute, linen cloth, hemp, flax, man-made fibers and other materials of personal wear and any other related activities in the textile sector and also to carry on the business of developing, maintaining, and operating of housing and commercial projects, infrastructure projects such as roads, highway projects, bridges, express ways, intra-urban roads and/or peri-urban roads like ring roads and / or urban by- passes, fly-overs, bus and truck terminals, subways, port, inland waterways and inland ports, water supply project, irrigation project, sanitation and sewerage system, water treatment systems, solid waste management system Special Economic Zones or other Export Promotion Parks, Software Technology Parks, Electronic Hardware Parks, Bio-Technology Parks, airports or any other public facility of similar nature, and to carry out detailed studies for the aforesaid projects inclusive of physical/engineering surveys and investigation, concept planning, detailed master planning, detailed design and engineering and all such activities that together provide the basis for the implementation of the project and to act as developers, builders, contractors, sub contractors, civil and constructional engineers, architectural work, town planners, infrastructure developers, surveyors, land scrapers, designers, valuers, appraiser, decorators, woodworkers, consultants and to lay out, construct, reconstruct, develop, to assist to develop, build, erect, demolish, re-erect, alter, improve, re-improve, renovate, enlarge, decorate, hold, furnish, maintain and sell residential building, apartments, ownership flats, houses, bungalows, farm houses, shops, nursing homes, clinics, hospitals godowns, garages, dwelling houses, warehouse, buildings, works workshops, hotels, resorts, industrial, institutional, commercial establishments, schools, place of worships, auditoriums, theaters, cotton*

textile mills, process houses, silk mills, man-made fiber mills and ready-made garments factories, roads, hi-ways, bridges, dams, canals, tunnels, wells, springs, bore well, swimming tanks, ports, reservoirs, embankments, irrigations, reclamations, structures, holiday homes, clubs and other places providing lodging, boarding and entertainments and to carry on the business of job contractors, importers, exporters, distributors and stockiest of above mentioned requisites.”

2. *To carry on the business of manufacturing, processing, folding, decadizing, calendering, selling, buying, importing and exporting, distributing and dealing in synthetics and synthetics fabrics, fibers and their blends, both with natural (Viz. Vegetable and/or animal) and man-made and artificial fibers, polyester, polyamide, acrylic poly propylene, polynisic, poly methane, plastic filament yarns, filament yarns of polypropylene, poly ethylene, nylon, plastic fibers and other synthetic fiber, and to undertake dyeing, bleaching, mercerizing, combing, preparing, spinning, weaving, sanforizing, mercerizing, printing, undertaking job work and otherwise dealing in cotton, rayon, silk, yarn, jute, linen cloth, hemp, flax, man-made fibers, fibers of textile products whether on handlooms or powerlooms or in textile mills or other factories and to act as a principals, agents, brokers, wholesalers and retailers in all types of textiles.*
18. There has been no change in name, registered office and objects of the Transferor Company during the last 5 years.

Details of RRIL Limited (‘the Applicant Company’ or ‘the Transferee Company’ or ‘RRIL’ or ‘the Company’):

19. RRIL Limited was originally incorporated under the name of Associated Textile Rubber Products Private Limited under the provisions of the Companies Act, 1956 on August 06, 1991 issued by the Registrar of Companies, Coimbatore, Tamil Nadu. The Company was subsequently converted into Public Limited Company as Associated Textile Rubber Products Limited vide fresh Certificate of Incorporation dated December 15, 1994. The Company changed its name to S R K Industries Limited vide Certificate of Incorporation dated March 19, 2011. The Registered Office of the Company shifted from State of Tamil Nadu to the State of Maharashtra pursuant to the provisions of the Companies Act, 1956 with effect from September 08, 2014. The name of the Company was further changed to RRIL Limited vide Certificate of Incorporation dated January 15, 2020. The Corporate Identification Number (CIN) is L17121MH1991PLC257750. The Permanent Account Number of the Company is AABCA8392D. The Email Id of the Company is office@rillimited.com. The Transferee Company is involved in the business of dealing in Textile products in fabrics and Yarn and also intend to re-develop housing societies in western suburbs of Mumbai to achieve its objective of venturing into the business activities of real estate / re-development..
20. The Equity Shares of the Transferee Company are listed on BSE Limited.
21. The Transferee Company has 1 (one) Secured Creditor and the total amount due and payable by the Transferee Company to the aforementioned Secured Creditor is Rs.39,14,712/- as on 30th June, 2020.
22. The Transferee Company has 8 (Eight) Unsecured Creditors and the total amount due and payable by the Transferee Company to the aforementioned Unsecured Creditors is Rs. 59,66,567/- as on 30th June, 2020.
23. The details of the Authorised, Issued, Subscribed and Paid-up share capital of the Transferee Company as on date are as under:

| Particulars | Amount in Rs. |
|-------------------------------------------|---------------|
| Authorised Share Capital | |
| 8,52,34,000 Equity Shares of Rs.5/- each. | 42,61,70,000 |
| | |
| TOTAL | 42,61,70,000 |

| Issued, Subscribed and Paid-up Share Capital | |
|---------------------------------------------------------|---------------------|
| 7,84,53,380 Equity Shares of Rs.5/- each fully paid up. | 39,22,66,900 |
| TOTAL | 39,22,66,900 |

Subsequent to the above, there is no change in the issued, subscribed and paid-up share capital of the Transferee Company.

24. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main objects of the Transferee Company are set out hereunder:

1. *To carry on the business as manufacturers, producers, processors, makers, converters, exporters, traders, buyers, sellers, retailers, wholesalers, inventor's, packers, movers, preservers, stockist, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires, repairers, operators, hirers, lessors and otherwise deal in all kind of textile and engineering goods, machineries, tools, equipments, accessories, spares, appliances and implements.*
2. *To carry on all or any of the following business namely, to enter into, manage, undertake, carry on and engaged in the business of Real Estate Development, Land Development, Area Estate and Site Development and to carry on the business as Planners, Builders, Real Estate Developers, Contractors, Real Estate Brokers, Agents, Brick Makers, and to build/construct own, operate, maintain, manage, control and administer, Earth works, farmhouses, Parks, Gardens, Row-Houses, Duplex apartments, Commercial, Residential or Industrial building complexes, Retail stores, shopping centers, Market Yards and deal in, manage and carry on all types of businesses and profession related to land dealings, buildings, farms, estates, properties, areas and sites.*
3. *To manufacture Belts (Textile aprons) and Roller Covers (Textile Cots) using synthetic rubber.*
4. *To carry on the business as manufactures of and dealers in all types of Rubber Pipes for drainage purpose, picking sticks for textile mills, other moulded general rubber parts for industrial purpose and all types of synthetic rubber products, natural rubber products and plastic products.*
5. *To carry on in India or abroad the business of exporters, Importers, distributors, merchants, traders, commission agent, agency, stockiest, buy, sell, distribute or otherwise deal in commodities, goods, articles, materials and things of every description and kind such as all types of beverages, chemicals and mixtures, electronics and electrical goods, fertilizers, foods (canned or otherwise) goods, Glasses, agricultural products, metals including precious metals, steel, precious stones, diamonds, petroleum and energy products and all other commodities and commodity securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and commodity securities, machineries and equipments, and to buy sell in land, open plots, materials, packing materials, paper and pulp products, photographic film and paper, PVC and resins, Rubber goods, cement, engineering and scientific instruments, oil of all kinds, coal timber, cotton wool, jute, fiber, seed grains rice, wheat, pulses fruits and vegetables, tea, coffee, sugar, gum, tobacco, spices, silk, art silk, oil cakes, oil seeds paints, varnishes, dyes matches, cutlery, jewellery, diamonds, precious metals, groceries, all types of household articles and appliances, medicines, drugs, medical and pharmaceutical product and appliances, live stocks, hider, skin leather and good made there from, hosiery, textiles of all kinds products, readymade garments.*

25. There has been no change in object clause of the Company during last five years except change in main object change wide resolution passed through Postal Ballot on December 31, 2019 pursuant to Section 110 read with rule 22 of the Companies (Management and Administration) Rules, 2014. Further, there has been no change in the registered office of the Transferee Company during the last five years.

26. The details of Promoter and Promoter Group of Transferee Company are as follows:

| Sr. No. | Name | Address |
|----------------|-----------------------------|-------------------------------------------------------------------------|
| 1. | Mr. Ratanchand D Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |
| 2. | Mr. Kiran Ratanchand Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |
| 3. | Mr. Ganpath Ratanchand Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, |

| | | |
|----|----------------------------------|-------------------------------------------------------------------------------|
| | | Borivali (E), Mumbai-400 066 |
| 4. | Mrs. Rekha Harish Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |
| 5. | Mr. Harish Ratanchand Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |
| 6. | Mrs. Priya Ganpath Jain | 701, New Kamal Kunj, Daulat Nagar Road No. 9 &4, Borivali (E), Mumbai-400 066 |
| 7. | Mrs. Leena Kiran Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |
| 8. | Mrs. Suraj Devi Ratan Chand Jain | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |
| 9. | KRKumar Industries Limited | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 |

27. The details of Directors of Transferee Company are as follows:

| Sr. No. | Name of the Directors | Designation | Address | Shareholding in Transferor Company | Shareholding in Transferee Company |
|---------|---------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| 1. | Ratanchand Deshmal Jain | Managing Director | 501, Raj bhavan, Daulat Nagar, Road No. 9, Borivali (E), Mumbai-400 066 | 15,20,700 | 3,85,37,642 |
| 2. | Shilpa Deep Mehta | Independent Director | 2, TulsiBaug, Mehta Building, S V P Road, Borivali West, Bhagwati hospital Compound, Mandapeshwar S O, Mumbai – 400103. | NIL | NIL |
| 3. | Harsh Mehta | Whole time Director & Chief Financial Officer | Flat No. 803/804, May Flower Bldg No. 9, Everest World, Dhokali Bus Stop, Thane (w), Mumbai-400607 | NIL | NIL |
| 4. | Jinang Vinod Shah | Independent Director | 203, Gopal Darshan, Daulat Nagar, Road No. -9, Near Hinduja Hall, Borivali (East), Mumbai-400066 | Nil | NIL |
| 5. | Pinakin Prasanchand Mehta | Independent Director | Room No. 20, Krishna Kunj, Aarey Road, Goregaon West, Mumbai-400062 | Nil | NIL |

28. Background of the Scheme

The Scheme *inter-alia* provides for the following:

- Merger by Absorption of KRKumar Industries Limited (“Transferor Company”) by RRIL Limited (“Transferee Company”);
- Cancellation of 3,59,090 fully paid up equity shares of Rs. 5/- each held by the Transferor Company in the Transferee Company; and
- Issue of 4,31,20,000 fully paid-up equity shares of Rs.5/- each by the Transferee Company to the Shareholders of the Transferor Company.

29. Rationale of the Scheme

Rationale for the Scheme of Merger by Absorption/ Benefits of the Scheme of Merger by Absorption is as follows:

- 29.1 KRK and RRIL, belonging to the same group of management, are largely engaged in the similar kind of business activities i.e. dealing in textile products and re-development of housing project, and any other related activities which will be beneficial to the merged entity for its product portfolio pursuant to the Scheme coming into effect.

- 29.2 Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.
- 29.3 As on December 31, 2019, RRIL has a net worth of Rs.27,05,60,061 (Rupees Twenty Seven Crores Five Lacs Sixty Thousand Sixty One only) excluding Goodwill and Deferred Tax Assets and KRK has a net worth of Rs.7,09,25,144 (Rupees Seven Crores Nine Lakhs Twenty Five Thousand One Hundred and Forty Four only). The combined entity will have net worth of around Rs.34,12,33,569/- (Rupees thirty four crore twelve lacs thirty three thousand five hundred sixty nine only) which will enable the merged entity with more negotiation power for debt finance considering its size and financial strength further the merged entity will have option of equity financing.
- 29.4 This merger will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage stronger asset capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.
- 29.5 The Transferor and Transferee Company are under common control and it would be advantageous to combine the activities and operations in a single Company and to build strong capability to effectively meet future challenges in competitive business environment.
- 29.6 This merger will result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- 29.7 The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and minimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of KRK and RRIL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.
- 29.8 The Transferor Company is engaged in the business pertaining to Construction and Textile activities. Whereas, the Transferee Company is engaged in the business of Trading in Textile products in fabrics and Yarn and also venturing into the business activities of real estate / Re-development of Housing property. The proposed amalgamation will enable the integration of the business activities of the Transferor Company with the Transferee Company.
- 29.9 This merger will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- 29.10 The Merger will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be done separately by the Transferee Company as well as by the Transferor Company.
- 29.11 The merger of KRK with RRIL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.

30. Salient features of the scheme are set out as below:

- i. The Scheme is presented under Sections 230-232 and other applicable provisions of the Company Act, 2013, as may be applicable for the Merger of KRK with RRIL;
- ii. The Transferor Company and the Transferee Company shall make applications / petitions (jointly, if permissible) under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to the relevant Adjudicating Body, for sanctioning of this Scheme and all matters ancillary or incidental thereto.
- iii. "**Appointed Date**" means April 01, 2020 or such other date as the Adjudicating Body (ies) may direct or fix, for the purpose of amalgamation of KRK with RRIL under this Scheme.

- iv. "**Effective Date**" means the last of the dates on which the certified copies of the Order(s) of the Adjudicating Body, are filed with the Registrar of Companies, Mumbai.
All references in The Scheme to the date of "coming into effect of the / this Scheme" or "Effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.
- v. Upon the Scheme coming into effect and without any further act or deed on the part of RRIL, RRIL will, in consideration of transfer and vesting of KRK into RRIL in terms of this Scheme, issue and allot 14 (Fourteen) Equity Shares of Rs.5/- each credited as fully paid-up in the capital of RRIL to the Equity Shareholders of KRK for every 1 (One) Equity Share of the Face value of Rs. 10/- each held by the shareholders of KRK ("New Shares Entitlement Ratio"). The New Shares will be issued in the New Shares Entitlement Ratio to registered fully paid-up equity shareholders of KRK whose names are recorded in the register of equity shareholders of KRK on the Record Date.
- vi. The New Shares, to be issued and allotted by RRIL, in terms of the Scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of RRIL. The New Shares, to be issued and allotted, shall rank *pari-passu* in all respects with the existing shares of RRIL, including in respect of dividends, if any, that may be declared by RRIL, on or after the Effective Date.
- vii. If, after applying the New Shares Entitlement Ratio, a person eligible to receive equity shares of RRIL pursuant to point v. above, becomes entitled to receive any fractional equity shares of RRIL, such person shall be entitled to receive one fully paid share instead of any such fractional entitlement.
- viii. Pursuant to point vi. above, the total number of shares that will be issued to equity shareholders of KRK, may vary from the total number of shares of RRIL to be issued as set forth in the first sentence of point v. above.
- ix. KRK, legally and beneficially, owns 3,59,090 equity shares of Rs. 5/- each of RRIL thereby aggregating to 0.46% of the total issued, subscribed and paid-up equity share capital of RRIL.
- x. As part of the Scheme, upon the Scheme coming into effect, all the equity shares of RRIL held by KRK being, 3,59,090 equity shares of Rs.5/- each of RRIL, shall stand cancelled and extinguished on and from the Effective Date as an integral part of the Scheme and accordingly, the Share Certificates/ Shares in Demat Form in respect of the aforesaid equity share in RRIL held by KRK shall also stand cancelled and shall be deemed to be cancelled without any further act or deed.
- xi. For the purpose of issue of the New Shares to the equity shareholders of KRK, RRIL may, if and to the extent required, apply for and obtain the required statutory approvals from the Governmental Authorities for the issue and allotment by RRIL of such New Shares.
- xii. Subsequent to the sanction of the Scheme, RRIL will make an application for listing of its New equity shares on the stock exchange in which the shares of RRIL are listed, in pursuance to the relevant regulations including, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circulars.
- xiii. Upon the Scheme coming into effect, KRK shall, without any further act or deed, stand dissolved without winding up. The name of KRK shall be struck off from the records of the Registrar of Companies, Mumbai and RRIL shall make necessary filings in this regard.
- xiv. "**Transferor Undertaking**" means and includes:
- i. All the assets and properties of KRK, whether real, tangible or intangible, present or future, actual or contingent, or whether recorded in the books or not, as on the commencement of the Appointed Date;
 - ii. All debts, liabilities, duties and obligations of KRK, whether fixed, contingent or absolute, as on the commencement of the Appointed Date;
 - iii. Without prejudice to the generality of sub-clause i. and ii. above, the Transferor Undertaking shall mean and include:
 - iv. all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent assets including stock, investments, insurance policies, claims, powers, authorities, allotments,

approvals, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights, tenancy rights, permits, authorisations, quota rights, including reserves, provisions, funds, contributions (including to any provident fund, employee state insurance, gratuity fund or any other schemes or benefits for employees), utilities, electricity, telephone, data, water and other service connections, books, records (including employee records and files), files, papers, engineering and process information, computer programmes along with licenses, drawings, backup copies, websites, 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 form or electronic form, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by KRK as on the commencement of the Appointed Date and all earnest money and/or deposits including security deposits paid by KRK as on the commencement of the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect tax laws, central goods and services tax, state goods and services tax and particularly Sales Tax benefits, advance taxes, self-assessment tax, tax deducted at source, CENVAT benefits, import and export benefits and custom duty benefits, MAT credit, tax deferrals, accumulated tax losses, unabsorbed tax depreciation of KRK;

- v. any license fee with any Governmental Authority that may have been paid by KRK;
- vi. all intellectual property rights including trademarks, brands, domain names, trade names and the goodwill associated therewith, patent rights copyrights and other industrial designs and intellectual properties and rights of any nature whatsoever including know-how assignments and grants in respect thereof of KRK;
- vii. all employees of KRK;
- viii. and in each case, as on the commencement of the Appointed Date and as modified and altered from time to time till the Effective Date.

Note: The aforesaid are only the salient features of the scheme, Members are requested to read the entire text of the scheme annexed hereto and get fully acquainted with the provision thereof.

31. Relationship between the Transferor Company and the Transferee Company

The Transferor Company i.e. KRKumar Industries Limited belongs to Promoter/ Promoter Group of the Transferee Company i.e. RRIL Limited. Further, the Transferor and Transferee Company are under same group of management and are largely engaged in the similar kind of business activities i.e. dealing in textile products, re-development of Housing project and other related activities.

32. Approvals

- i. Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, the Transferee Company had filed necessary applications before BSE seeking their no-objection to the Scheme. The Transferee Company has received the observation letter from BSE dated 7th August, 2020 conveying their no-objection to the Scheme ('Observation Letter'). Copy of the aforesaid Observation Letter are enclosed herewith.
- ii. The Scheme along with related documents was hosted on the website of the Company, BSE and was open for complaints / comments. The Company did not receive any complaint / comment and accordingly a Nil Complaint report was filed with BSE on 9th June, 2020. Further, as on the date of filing the Company Scheme Application, the Company has not received any complaints.
- iii. The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.
- iv. The Board of Directors of the Transferee Company at their meeting held on 5th March, 2020 approved the Scheme of Merger by Absorption. Details of Directors of Transferee Company who were present at the meeting and voted in favour/ against/ did not vote or participate in the resolution of the meeting of the Board of the Directors of Transferee Company are as below:

| Sr. No. | Name of the Directors | Voted in favour/ against / did not vote or participate on such resolution |
|---------|-------------------------------|---------------------------------------------------------------------------|
| 1. | Mr. Ratanchand Deshmal Jain | Voted in Favour |
| 2. | Ms. Shilpa Deep Mehta | Voted in Favour |
| 3. | Mr. Harsh Mehta | Voted in Favour |
| 4. | Mr. Jinang Vinod Shah | Voted in Favour |
| 5. | Ms. Pinakin Prasanchand Mehta | Voted in Favour |

- v. The Board of Directors of the Transferor Company at their meeting held on 5th March, 2020 approved the Scheme of Merger by Absorption. Details of Directors of Transferor Company who were present at the meeting and voted in favour/ against/ did not vote or participate in the resolution of the meeting of the Board of the Directors of Transferor Company are as below:

| Sr. No. | Name of the Directors | Voted in favour/ against / did not vote or participate on such resolution |
|---------|---------------------------|---------------------------------------------------------------------------|
| 1. | Mr. Kiran Ratanchand Jain | Voted in Favour |
| 2. | Ms. Priya Ganpath Jain | Voted in Favour |
| 3. | Mr. Hiren Dhanji Chheda | Voted in Favour |

33. Pre and Post Merger Shareholding Pattern

The Pre-Merger Shareholding Pattern of KRKumar Industries Limited and Pre and Post Merger Shareholding Pattern of RRIL Limited as on 04.12.2020 is as follows:

| Sr | Description | Name of Shareholder | KRKUMAR INDUSTRIES LIMITED | | RRIL LIMITED | | | |
|-----|---------------------------------------------|----------------------------|----------------------------|------------|--------------------|--------------|--------------------|--------------|
| | | | Pre-arrangement | | Pre-arrangement | | Post-arrangement | |
| | | | No. of shares | % | No. of shares | % | No. of shares | % |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | |
| 1 | Indian | | | | | | | |
| | Individuals/ Hindu Undivided Family | Names of Promoter | | | | | | |
| | | Ratanchand D. Jain | 15,20,700 | 49.37 | 3,85,37,642 | 49.12 | 5,98,27,442 | 49.36 |
| | | Kiran R. Jain | 7,59,200 | 24.65 | 575203 | 0.73 | 1,12,04,003 | 9.24 |
| | | Harish R. Jain | 2,60,000 | 8.44 | 241887 | 0.31 | 38,81,887 | 3.20 |
| | | Ganpat R. Jain | 2,00,000 | 6.49 | 10,000 | 0.01 | 28,10,000 | 2.32 |
| | | Priya G. Jain | 2,00,000 | 6.49 | 10,000 | 0.01 | 28,10,000 | 2.32 |
| | | Rekha Harish Jain | 1,40,000 | 4.55 | 10,000 | 0.01 | 19,70,000 | 1.62 |
| | | Surajdevi R. Jain | 100 | 0.00 | 4,84,441 | 0.62 | 4,85,841 | 0.40 |
| | Leena Kiran Jain | NIL | NIL | 10,000 | 0.01 | 10,000 | 0.01 | |
| (b) | Central Government/ State Government(s) | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (c) | Bodies Corporate | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (d) | Financial Institutions/ Banks | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (e) | Any Others | KRKumar Industries Limited | NIL | NIL | 3,59,090 | 0.46 | NIL* | NIL* |
| | Sub Total(A)(1) | - | 30,80,000 | 100 | 4,02,38,263 | 51.29 | 8,29,99,173 | 68.47 |

| | | | | | | | | |
|------------|------------------------------------------------------------------------------------------------------|---|------------------|------------|--------------------|--------------|--------------------|--------------|
| 2 | Foreign | | | | | | | |
| (a) | Individuals (Non-Residents Individuals/ Foreign Individuals) | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (b) | Bodies Corporate | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (c) | Institutions | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (d) | Any Others | - | NIL | NIL | NIL | NIL | NIL | NIL |
| | Sub Total(A)(2) | - | NIL | NIL | NIL | NIL | NIL | NIL |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | - | 30,80,000 | 100 | 40,2,38,263 | 51.29 | 8,29,99,173 | 68.47 |
| (B) | Public shareholding | | | | | | | |
| 1 | Institutions | | | | | | | |
| (a) | Mutual Funds/ UTI | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (b) | Financial Institutions / Banks | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (c) | Central Government/ State Government(s) | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (d) | Venture Capital Funds | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (e) | Insurance Companies | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (f) | Foreign Institutional Investors | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (g) | Foreign Venture Capital Investors | - | NIL | NIL | NIL | NIL | NIL | NIL |
| (h) | Any Other | - | NIL | NIL | NIL | NIL | NIL | NIL |
| | Sub-Total (B)(1) | - | NIL | NIL | NIL | NIL | NIL | NIL |
| 2 | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | - | NIL | NIL | 67,62,797 | 8.62 | 67,62,797 | 5.58 |
| (b) | Individuals | - | | | | | | |
| I | Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lacs | - | NIL | NIL | 53,71,167 | 6.85 | 53,71,167 | 4.43 |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lacs | - | NIL | NIL | 2,39,11,000 | 30.48 | 2,39,11,000 | 19.73 |
| (c) | Any Other | - | NIL | NIL | 21,70,153 | 2.77 | 21,70,153 | 1.79 |

| | | | | | | | | |
|------------|------------------------------------------------------------------|---|------------------|------------|--------------------|------------|---------------------|------------|
| | Sub-Total (B)(2) | - | NIL | NIL | 3,82,15,117 | 48.71 | 3,82,15,117 | 31.53 |
| (B) | Total Public Shareholding (B)= (B)(1)+(B)(2) | - | NIL | NIL | 3,82,15,117 | 48.71 | 3,82,15,117 | 31.53 |
| | TOTAL (A)+(B) | - | 30,80,000 | 100 | 7,84,53,380 | 100 | 12,12,14,290 | 100 |
| (C) | Shares held by Custodians and against which DRs have been issued | - | NIL | NIL | NIL | NIL | NIL | NIL |
| | GRAND TOTAL (A)+(B)+(C) | - | 30,80,000 | 100 | 7,84,53,380 | 100 | 12,12,14,290 | 100 |

**3,59,090 (0.46%) Equity Shares held by KRK in RRIL shall be cancelled pursuant to the Scheme of Merger by absorption.*

34. Capital Structure Pre and Post Merger

34.1 The Pre-Merger capital structure of the Transferee Company is mentioned in paragraph 23 above. Post the Merger capital structure of the Transferee Company (assuming the continuing capital structure as on 30th September, 2020) would be the same since, post-Merger, the equity shares held by the Transferor Company shall stand cancelled and as a consideration for the amalgamation 4,31,20,000 number of shares will be issued to the Equity Shareholders of the Transferor Company.

Accordingly, the Post Capital Structure of RRIL Limited will be as follows:

| Particulars | Amount in Rs. |
|----------------------------------------------------------|---------------------|
| Authorised Share Capital | |
| 9,52,34,000 Equity Shares of Rs.5/- each. | 47,61,70,000 |
| TOTAL | 47,61,70,000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 12,12,14,290 Equity Shares of Rs.5/- each fully paid up. | 60,60,71,450 |
| TOTAL | 60,60,71,450 |

**3,59,090 (0.46%) Equity Shares held by KRK in RRIL shall be cancelled pursuant to the Scheme of Merger by absorption.*

34.2 The Pre-Merger capital structure of the Transferor Company is mentioned in paragraph 16 above. Post the Merger, the Transferor Company shall stand dissolved without being wound-up.

35. Extent of Shareholding of Directors and Key Managerial Personnel

Save as otherwise provided in the Scheme, the Directors and Key Managerial Personnel (KMP) and their respective relatives of the Transferee and Transferor Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in their respective Companies or to the extent the said Directors / KMP are the partners, Directors, Members of the Companies, firms, association of persons, bodies corporate and / or beneficiary of trust that hold shares in any of the Companies. Save as aforesaid, none of the Directors, Managing Director or the Manager or KMP of the Transferor and Transferee Company has any material interest in the Scheme.

The details of the present Directors and KMP of the Transferee Company and their respective shareholdings in the Transferor Company as on 4th December, 2020 are as follows:

| Sr. No. | Name of the Directors and KMP of Transferee Company | Shareholding in Transferee Company | Shareholding in Transferor Company |
|---------|-----------------------------------------------------|------------------------------------|------------------------------------|
| 1. | Mr. Ratanchand Deshmaj Jain | 3,85,37,642 | 15,20,700 |
| 2. | Ms. Shilpa Deep Mehta | Nil | Nil |
| 3. | Mr. Harsh Mehta (Director and CFO) | Nil | Nil |

| | | | |
|----|----------------------------------------|-----|-----|
| 4. | Mr. Jinang Vinod Shah | Nil | Nil |
| 5. | Ms. Pinakin Prasanchand Mehta | Nil | Nil |
| 6. | Mr. Sanjaykumar Radheshyam Vishwakarma | Nil | Nil |

The details of the present Directors and KMP of the Transferor Company and their respective shareholdings in the Transferee Company as on 4th December, 2020 are as follows:

| Sr. No. | Name of the Directors and KMP of Transferor Company | Shareholding in Transferor Company | Shareholding in Transferee Company |
|---------|-----------------------------------------------------|------------------------------------|------------------------------------|
| 1. | Mr. Kiran Ratanchand Jain | 7,59,200 | 5,75,203 |
| 2. | Ms. Priya Ganpath Jain | 2,00,000 | 10,000 |
| 3. | Mr. Hiren Dhanji Chheda | Nil | Nil |

36. General

- 36.1 The Transferor Company and the Transferee Company have made a joint application before the National Company Law Tribunal, Mumbai Bench for the sanction of the Scheme under Sections 230-232 and other applicable provisions of the Companies Act, 2013.
- 36.2 The rights and interest of the Members of the Transferee Company and the Transferor Company will not be prejudicially affected by the Scheme.
- 36.3 In compliance with the provisions of Section 232(2) of the Companies Act, 2013, the Board of Directors of the Company, at its meeting held on 5th March, 2020, has adopted a report, inter alia, explaining the effect of the Scheme on Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders. A copy of the report adopted by the Board of Directors of the Transferee Company is enclosed.
- 36.4 In relation to the Meeting of the Transferee Company, Equity Shareholders of the Transferee Company whose names are appearing in the records of the Transferee Company as on Friday, 18th December, 2020 shall be eligible to attend the Meeting of the Equity Shareholders of the Transferee Company convened as per the directions of the Tribunal and cast their votes using remote e-voting facility.
- 36.5 In compliance with Section 232(2) of the Companies Act, 2013, Accounting Statements of Transferee and Transferor Companies extracted from the Financial Statements have been attached. For brevity's sake the schedules and notes to the Financial Statements have not been attached. The Financial Statements of Transferee Company are available on the website of the Transferee Company: www.rillimited.com.
- 36.6 There are no investigation proceedings under the provisions of Chapter XIV of the Companies Act, 2013 and no winding up proceedings instituted and/or pending against the Transferor Company and/or the Transferee Company.
- 36.7 The Scheme does not involve any debt restructuring and therefore the requirement to disclose details of debt restructuring is not applicable.
- 36.8 Disclosure about the effect of the Scheme on the following persons of Transferee Company:

| Sr. No. | Category | Effect of the Scheme |
|---------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Shareholders | Pursuant to this Scheme, as part of the consideration for merger, RRIL will issue and allot 4,31,20,000 (Four Crores Thirty One Lacs Twenty Thousand Only) Equity Shares of Rs. 5/- each (the "New Shares") to registered fully paid-up equity shareholders of KRK on the Record Date, as decided by the Board in the ratio of; Against 1 (One) Equity Share of the Face value of Rs.10/- each of the KRK, 14 (Fourteen) Equity Shares of the Face value of Rs.5/- each of the RRIL shall be issued to the shareholders of KRK. The New Shares issued and allotted by RRIL in terms of this Scheme |

| | | |
|-----|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | shall rank <i>pari-passu</i> in all respects with the existing shares of RRIL, including in respect of dividends, if any, that may be declared by RRIL, on or after the Effective Date. |
| 2. | Promoters | The Scheme does not contemplate payment of any additional considerations to the Promoters except to the extent of their shareholding in KRKumar Industries Limited. |
| 3. | Non-Promoter Shareholders | There is no adverse effect of the Scheme on the Non Promoter Shareholders of RRIL. |
| 4. | Key Managerial Personnel (KMP) (other than Directors) | No change in the KMP of the RRIL is expected pursuant to the Scheme. |
| 5. | Directors | There is no adverse effect of the Scheme on the Directors of RRIL. |
| 6. | Depositors | RRIL does not have any public deposits and accordingly, it does not have any depositors so the question of scheme having effect on depositor does not arise. |
| 7. | Creditors | The Scheme is expected to be in the best interest of the Company's creditors. |
| 8. | Debentureholders | RRIL has no outstanding debentures and therefore, the effect of the Scheme on debenture holders does not arise. |
| 9. | Deposit trustee & Debenture trustee | RRIL does not have any public deposits and accordingly, it does not have any depositors or deposit trustee and so the question of scheme having effect on depositor or deposit trustee does not arise. Further, there are no debenture holders or debenture trustee in RRIL as no debentures are issued. Thus, the question of scheme having effect on debenture holder or debenture trustee does not arise. |
| 10. | Employees of the Company | Employees in relation to the Transferor Undertaking shall become the employees of the Transferee Company. No rights of employees shall get affected. |

36.9 Disclosure about the effect of the Scheme on the following persons of Transferor Company:

| Sr. No. | Category | Effect of the Scheme |
|---------|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Shareholders | Pursuant to this Scheme, as part of the consideration for merger, RRIL will issue and allot 4,31,20,000 (Four Crores Thirty One Lacs Twenty Thousand Only) Equity Shares of Rs. 5/- each (the "New Shares") to registered fully paid-up equity shareholders of KRK on the Record Date, as decided by the Board in the ratio of; Against 1 (One) Equity Share of the Face value of Rs.10/- each of the KRK, 14 (Fourteen) Equity Shares of the Face value of Rs.5/- each of the RRIL shall be issued to the shareholders of KRK. The New Shares issued and allotted by RRIL in terms of this Scheme shall rank <i>pari-passu</i> in all respects with the existing shares of RRIL, including in respect of dividends, if any, that may be declared by RRIL, on or after the Effective Date. |
| 2. | Promoters | The Scheme does not contemplate payment of any additional considerations to the Promoters except to the extent of their shareholding in KRKumar Industries Limited. |
| 3. | Non-Promoter Shareholders | There is no Non-Promoter shareholder in the Company so the question of scheme having effect on Non-Promoter shareholder does not arise. |
| 4. | Key Managerial Personnel (KMP) (other than Directors) | KMP are the employees of the KRK and as per the Scheme, all the employees of the KRK shall become employees of the Transferee Company with effect from Effective Date of the Scheme. |
| 5. | Directors | There is no adverse effect of the Scheme on the Directors of KRK. |
| 6. | Depositors | KRK does not have any public deposits and accordingly, it does not have any depositors so the question of scheme having effect on depositor does not arise. |
| 7. | Creditors | Upon the Scheme coming effect, the creditor obligations with respect to |

| | | |
|-----|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | the Company shall become the obligations of RRIL. The Scheme is expected to be in the best interest of the Company's creditors. |
| 8. | Debentureholders | KRK has no outstanding debentures and therefore, the effect of the Scheme on debenture holders does not arise. |
| 9. | Deposit trustee & Debenture trustee | KRK does not have any public deposits and accordingly, it does not have any depositors or deposit trustee and so the question of scheme having effect on depositor or deposit trustee does not arise. Further, there are no debenture holders or debenture trustee in KRK as no debentures are issued. Thus, the question of scheme having effect on debenture holder or debenture trustee does not arise. |
| 10. | Employees of the Company | Employees in relation to the Transferor Undertaking shall become the employees of the Transferee Company. No rights of employees shall get affected. |

36.10 Disclosure about effect of Scheme on material interests of Directors, Key Managerial Personnel (KMP) and Debenture trustee:

| Category | RRIL Limited | KRKumar Industries Limited |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directors | There is no adverse effect of the Scheme on the Directors of RRIL. | There is no adverse effect of the Scheme on the Directors of KRK. |
| Key Managerial Personnel (KMP) (other than Directors) | No change in the KMP of the RRIL is expected pursuant to the Scheme. | KMP are the employees of the KRK and as per the Scheme, all the employees of the KRK shall become employees of the Transferee Company with effect from Effective Date of the Scheme. |
| Debenture trustee | There are no debenture holders or debenture trustee in RRIL as no debentures are issued. Thus, the question of scheme having effect on debenture holder or debenture trustee does not arise. | There are no debenture holders or debenture trustee in KRK as no debentures are issued. Thus, the question of scheme having effect on debenture holder or debenture trustee does not arise. |

36.11 Considering the rationale and benefits, the Board of Directors of the Transferee Company recommends the Scheme as it is in the best interest of the Company and its stakeholders.

36.12 The Audited accounts for the period ended 31st March, 2020 of the Transferee Company indicates that it is in a solvent position and would be able to meet liabilities as arise in the course of business. There is no likelihood that any creditors of the Transferee Company would lose or be prejudiced as a result of this Scheme being passed since no compromise, sacrifice or waiver is at all called for from them nor are their rights sought to be adversely modified in any manner. Hence, the Merger will not cast any additional burden on the shareholders or creditors of the Transferee Company, nor will it adversely affect the interest of any of the shareholders or creditors.

36.13 None of the Directors or KMP are interested except upto the extent of their shareholdings stated under paragraph 35 in the Transferee Company and Transferor Company, if any.

36.14 Pursuant Order of Hon'ble NCLT, Mumbai dated 16th December, 2020, a Notice is issued to all the Equity Shareholders of the Transferee Company and Unsecured Creditors of the Transferor Company under Section 230 (3) of the Companies Act, 2013 with a direction to submit their representations, if any, in connection with Scheme of Merger by Absorption of KRKumar Industries Limited ("**Transferor Company**") by RRIL Limited ("**Transferee Company**") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the National Company Law Tribunal, Mumbai Bench.

36.15 The Transferor Company and the Transferee Company are required to seek approvals / sanctions / no-objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director and the Official Liquidator and will obtain the same at the relevant time.

36.16 In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

- 36.17 For the purpose of Merger of the Transferor Company with the Transferee Company, Dinesh Kumar Deora Registered Valuer – Securities or Financial Assets have recommended a ratio of allotment of equity shares. Accordingly, the number of shares to be issued by the Transferee Company to the Equity Shareholders of the Transferor Company are 4,31,20,000 fully paid up equity shares of Rs. 5 each of the Transferee Company in proportion of their respective shareholding in the Transferor Company as on the Record Date. Mark Corporate Advisors Private Limited, the Merchant Banker after having reviewed the valuation report of Dinesh Kumar Deora Registered Valuer – Securities or Financial Assets and on consideration of all the relevant factors and circumstances, opined that in their view the independent valuer's proposed valuation and share allotment is fair. The copy of the Valuation Report is available for inspection at the Registered Office of the Company at A-325, Hari Om Plaza, M.G. Road, Near Om Kareshwar Temple, Borivali- East, Mumbai- 400066., Maharashtra
- 36.18 A report adopted by the Directors of the Transferee Company, explaining effect of the Scheme on each class of Shareholders, Key Managerial Personnel, Promoters and non-promoter Shareholders, laying out in particular the share allotment, is attached herewith. The Transferee Company does not have any debenture holders, deposit trustee and debenture trustee. There will be no adverse effect on account of the Scheme as far as the depositors, employees, and creditors of the Transferee Company are concerned.
- 36.19 As far as the employees of the Transferee Company are concerned there would not be any change in their terms of employment on account of the Scheme. Further, no change in the Board of Directors of the Transferee Company is envisaged on account of the Scheme.
- 36.20 It is confirmed that the copy of Draft Scheme of Merger by Absorption has been filed with Registrar of Companies, Mumbai.

37. Inspection

The electronic copy of the following documents shall be available for inspection in the investor section of the website of the Company i.e. www.rrilimited.com

- i. Copy of the Audited financial statements of the Transferee Company as on 31st March, 2020, 31st March, 2019 and 31st March, 2018 ,Unaudited Financial Statements as on 30th September, 2020;
- ii. Copy of the Audited financial statements of the Transferor Company as on 31st March, 2020,, 31st March, 2019 and 31st March, 2018 ,Unaudited Financial Statements as on 30th September, 2020;
- iii. Copy of the Memorandum and Articles of Association of Transferee Company;
- iv. Copy of the Memorandum and Articles of Association of Transferor Company;
- v. Scheme of Merger by Absorption;
- vi. Copy of the Order dated 16th December, , 2020 passed by NCLT, Mumbai Bench in C.A. (CAA) No.1076/MB/2020 of the Transferor Company and the Transferee Company.
- vii. Report adopted by the Board of Directors of the Transferee Company;
- viii. Copy of the resolutions dated 5th March, 2020 passed by Board of Directors of the Transferee and Transferor Companies approving the Scheme.
- ix. Register of Directors' shareholding of Transferee Company;
- x. The certificate issued by Subramaniam Bengali & Associates (Chartered Accountants), the Statutory Auditors of the Transferee Company dated 6th March, 2020 to the effect that the accounting treatment, proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- xi. The certificate issued by S.D. Mota & Associates (Chartered Accountants), the Statutory Auditors of the Transferor Company dated 6th March, 2020 to the effect that the accounting treatment, proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- xii. Copy of Valuation Report dated 4th March, 2020 and Addendum to Valuation Report dated 4th March, 2020, submitted by Dinesh Kumar Deora, Registered Valuer Securities or Financial Assets on 8th May, 2020.
- xiii. Copy of the Fairness Opinion, dated 5th March, 2020, issued by Mark Corporate Advisors Private Limited, Merchant Banker to the Board of Directors of RRIL Limited.
- xiv. Copy of the Audit Committee Report dated 5th March, 2020 of the Transferee Company.
- xv. Certificate on adequacy and accuracy of disclosure of information in Abridged Prospectus of KRKumar Industries Limited and Abridged Prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 including applicable information pertaining to KRKumar Industries Limited.
- xvi. Copy of the complaint reports, dated 9th June, 2020 submitted by the Transferee Company.

- xvii. Copy of the annual reports of the Transferee Company for the 31st March, 2020, 31st March, 2019 and 31st March, 2018.
- xviii. Report adopted by the Board of Directors of the Transferor Company on 5th March, 2020;
- xix. Certified true copy of Resolution passed by Board of Directors of RRIL Limited on 8th May, 2020 for considering and approving Addendum to Valuation Report dated 4th March, 2020 issued on 8th May, 2020
- xx. Certified true copy of Resolution passed by Audit Committee of RRIL Limited considering and recommending Addendum to Valuation Report dated 4th March, 2020 issued on 8th May, 2020.

**SCHEME OF MERGER BY ABSORPTION
OF
KRKUMAR INDUSTRIES LIMITED
BY
RRIL LIMITED
(Formerly known as S R K Industries Limited)
AND
THEIR RESPECTIVE SHAREHOLDERS**

This Scheme of Merger is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for Merger by Absorption of KRKumar Industries Limited ("*KRK*" or "*Transferor Company*") by RRIL Limited ("*RRIL*" or "*Transferee Company*"). This Scheme also provides for various other matters consequential and otherwise integrally connected therewith.

The Scheme is divided into the following parts:

- A. Part I** deals with the Introduction and Rationale;
- B. Part II** deals with the Definitions, Interpretations and Share Capital;
- C. Part III** deals with Merger of KRK with RRIL;
- D. Part IV** deal with reorganisation of share capital of RRIL
- E. Part V** deals with the Accounting Treatment;
- F. Part VI** deals with the General Clauses; and
- G. Part VII** deals with the General Terms and Conditions.

**PART I
INTRODUCTION, RATIONALE AND OPERATION OF
THE SCHEME**

1. INTRODUCTION

1.1. **KRKUMAR INDUSTRIES LIMITED**

1.1.1. KRK (CIN: U45203MH1987PLC042969) was originally incorporated under the name of "*Alimco Food Industries Private Limited*" under the provisions of the Companies Act, 1956 on March 25, 1987 issued by the Registrar of Companies, Maharashtra and further *Alimco Food Industries Private Limited* changed their name to *Alimco Industries Private Limited* vide Certificate of Incorporation dated March 28, 2003. The name of the Company was further changed to Mecron Infra Private Limited vide Certificate of Incorporation dated July 02, 2011. Mecron Infra Private Limited further changed their name to KRKumar Industries Private Limited vide Certificate of Incorporation dated January 30, 2014.

1.1.2. The company was subsequently converted into a public limited company and consequent upon the said change of status, the name of the company was changed from KRKumar Industries Private Limited to its present name i.e. KRKumar Industries Limited vide fresh Certificate of Incorporation dated December 10, 2014 issued by the Registrar of Companies, Maharashtra, Mumbai.

1.1.3. KRK is *inter-alia* engaged in the activities pertaining to Construction and Textile activities.

1.1.4. KRK holds 0.46% of the issued, subscribed and paid-up share capital of the Transferee Company.

1.2. **RRIL LIMITED**

1.2.1 RRIL (CIN: L17121MH1991PLC257750), was originally incorporated under the name of Associated Textile Rubber Products Private Limited under the provisions of the Companies Act, 1956 on August 06, 1991 issued by the Registrar of

Companies, Coimbatore, Tamil Nadu. The Company was subsequently converted into Public Limited Company as Associated Textile Rubber Products Limited vide fresh Certificate of Incorporation dated December 15, 1994. The Company changed its name to S R K Industries Limited *vide* Certificate of Incorporation dated March 19, 2011. The Registered Office of the Company shifted from State of Tamil Nadu to the State of Maharashtra pursuant to the provisions of the Companies Act, 1956 with effect from September 08, 2014. The name of the Company was further changed to RRIL Limited *vide* Certificate of Incorporation dated January 15, 2020. The Company has its shares listed on the BSE Limited (“BSE”).

- 1.2.2 RRIL is *inter-alia* engaged in the business of dealing in Textile products in fabrics and Yarn and also intent to redevelop housing societies in western suburbs of Mumbai to achieve its objective of venturing into the business activities of real estate and re-development.

2. RATIONALE FOR THE SCHEME

- 2.1. The merger of KRK with RRIL is based on the following rationale:

- 2.1.1. KRK and RRIL, belonging to the same group of management, are largely engaged in the similar kind of business activities i.e. dealing in textile products and re-development of housing project, , and any other related activities. which will be beneficial to the merged entity for its product portfolio pursuant to the Scheme coming into effect.

- 2.1.2. Economies of scale will play a bigger role as the consolidated entity’s operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.

- 2.1.3. As on December 31, 2019 RRIL has a net worth of Rs.27,05,60,061 (Rupees Twenty Seven Crores Five Lacs Sixty Thousand Sixty One only) excluding Goodwill and Deferred Tax Assets and KRK has a net worth of Rs.7,09,25,144 (Rupees Seven Crores Nine Lakhs Twenty Five Thousand One Hundred and Forty Four only). The combined entity will have net worth of around Rs.34,12,33,569/- (Rupees thirty four crore twelve lacs thirty three thousand five hundred sixty nine only) which will enable the merged entity with more negotiation power for debt finance considering its size and financial strength further the merged entity will have option of equity financing.
- 2.1.4. This merger will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage stronger asset capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.
- 2.1.5. The Transferor and Transferee Company are under common control and it would be advantageous to combine the activities and operations in a single Company and to build strong capability to effectively meet future challenges in competitive business environment.
- 2.1.6. This merger will result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- 2.1.7. The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and minimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of KRK and RRIL as the combined amalgamated company will have improved efficiency, market share, financial

structure, larger cash flows and stronger consolidated revenue and profitability.

- 2.1.8. The Transferor Company is engaged in the business pertaining to Construction and Textile activities. Whereas, the Transferee Company is engaged in the business of Trading in Textile products in fabrics and Yarn and also venturing into the business activities of real estate / Re-development of Housing property. The proposed amalgamation will enable the integration of the business activities of the Transferor Company with the Transferee Company.
- 2.1.9. This merger will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- 2.1.10. The Merger will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be done separately by the Transferee Company as well as by the Transferor Company.
- 2.1.11. The merger of KRK with RRIL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.

3. OPERATION OF THE SCHEME

- 3.1. This Scheme is presented under Sections 230 to 232 read with Sections 66 of the Companies Act, 2013, and other applicable provisions of the relevant Act (*as defined hereinafter*) for:
- 3.1.1. Merger of KRK with RRIL;

- 3.1.2. Various other matters consequential or otherwise integrally connected herewith.

PART II
DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

4. DEFINITIONS

- 4.1. In this Scheme, unless inconsistent with the subject or context, the following expression shall have the following meanings:

4.1.1. "**Act**" means the Companies Act, 2013, along with rules and regulations issued thereunder, including, any statutory modifications, re-enactments or amendments made thereto from time to time.

4.1.2. "**Adjudicating Body (ies)**" means the Hon'ble National Company Law Tribunal, Mumbai Bench and the National Company Law Appellate Tribunal as constituted and authorised as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230 to 232 of the Companies Act, 2013 or any other authority having jurisdiction under the Act to sanction the scheme.

4.1.3. "**Appointed Date**" means April 01, 2020 or such other date as the Adjudicating Body (ies) may direct or fix, for the purpose of amalgamation of KRK with RRIL under this Scheme.

4.1.4. "**Board**" or "**Board of Directors**" means the board of directors of KRK or RRIL, as the case may be, and shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or

such committee of directors.

- 4.1.5. "**Effective Date**" means the last of the dates on which the certified copies of the Order(s) of the Adjudicating Body, are filed with the Registrar of Companies, Mumbai.

All references in this Scheme to the date of "coming into effect of the / this Scheme" or "Effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.

- 4.1.6. "**KRK**" or "**Transferor Company**" means KRKumar Industries Limited, a company incorporated under the Companies Act, 1956 and having its registered office situated at 101, Raj Bhavan, Daulat Nagar Road No. 9, Borivali (East) Mumbai- 400066 in the State of Maharashtra. The Permanent Account Number of KRK is AAACA4428P.

- 4.1.7. "**Governmental Authorities**" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.

- 4.1.8. "**LODR**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the Securities and Exchange Board of India.

- 4.1.9. "**Record Date**" means the date to be fixed by the Board of Directors of RRIL for the purpose of reckoning name of the equity shareholders of KRK, who shall be entitled to receive the New Shares to be issued by RRIL and for any other purpose as

provided in this Scheme.

4.1.10. "**ROC**" means the Registrar of Companies, Maharashtra, Mumbai having jurisdiction in relation to both the Transferor Company and the Transferee Company.

4.1.11. "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this Scheme of Merger by Absorption in its present form submitted to the relevant Adjudicating Body with modification(s), approved or imposed or directed by the relevant Adjudicating Body.

4.1.12. "**SEBI Circulars**" means the circulars issued by Securities and Exchange Board of India in relation to the amalgamations and arrangements carried out under the Act and shall *inter-alia* collectively refer to SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017, SEBI Circular no. CFD/DIL3/CIR/2018/2 dated January 03, 2018 and SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2019/192 dated September 12, 2019.

4.1.13. "**RRIL**" or "**Transferee Company**" means RRIL Limited incorporated under the provisions of the Companies Act, 1956 and having its registered office at A-325, Hari Om Plaza, M.G. Road, Near Omkareshwar Temple, Borivali (East), Mumbai-400066. The Permanent Account Number of RRIL is AABCA8392D.

4.1.14. "**Transferor Undertaking**" means and includes:

4.1.14.1. All the assets and properties of KRK, whether real, tangible or intangible, present or future, actual or contingent, or whether recorded in the books or not, as on the commencement of the Appointed Date;

4.1.14.2. All debts, liabilities, duties and obligations of KRK, whether fixed, contingent or absolute, as on the commencement of the Appointed Date;

4.1.14.3. Without prejudice to the generality of sub-clause 4.1.14.1 and 4.1.14.2 above, the Transferor Undertaking shall mean and include:

4.1.14.4. all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent assets including stock, investments, insurance policies, claims, powers, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights, tenancy rights, permits, authorisations, quota rights, including reserves, provisions, funds, contributions (including to any provident fund, employee state insurance, gratuity fund or any other schemes or benefits for employees), utilities, electricity, telephone, data, water and other service connections, books, records (including employee records and files), files, papers, engineering and process information, computer programmes along with licenses, drawings, backup copies, websites, 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 form or electronic form, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by KRK as on the commencement of the Appointed Date and all earnest money

and/or deposits including security deposits paid by KRK as on the commencement of the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect tax laws, central goods and services tax, state goods and services tax and particularly Sales Tax benefits, advance taxes, self-assessment tax, tax deducted at source, CENVAT benefits, import and export benefits and custom duty benefits, MAT credit, tax deferrals, accumulated tax losses, unabsorbed tax depreciation of KRK;

4.1.14.5.any license fee with any Governmental Authority that may have been paid by KRK;

4.1.14.6.all intellectual property rights including trademarks, brands, domain names, trade names and the goodwill associated therewith, patent rights copyrights and other industrial designs and intellectual properties and rights of any nature whatsoever including know-how assignments and grants in respect thereof of KRK;

4.1.14.7.all employees of KRK;

4.1.15. and in each case, as on the commencement of the Appointed Date and as modified and altered from time to time till the Effective Date.

All terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, 1961, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 (as the case may be) or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory amendment, modification or re-enactment thereof, from time to time.

5. INTERPRETATION

- 5.1. In this Scheme, unless the context otherwise requires:
 - 5.1.1. words denoting singular shall include plural and vice versa;
 - 5.1.2. headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
 - 5.1.3. references to the word "include" or "including" shall be construed without limitation;
 - 5.1.4. a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
 - 5.1.5. unless otherwise defined, the reference to the word "days" shall mean calendar days;
 - 5.1.6. references to dates and times shall be construed to be references to Indian dates and times;
 - 5.1.7. reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
 - 5.1.8. word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and
 - 5.1.9. references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).

6. SHARE CAPITAL

6.1. The Share Capital of RRIL as on date is as under:

| Particulars | (Amount in Rs.) |
|------------------------------------------------|-----------------|
| Authorised Share Capital | |
| 8,52,34,000 Equity Shares of Rs. 5 each | 42,61,70,000 |
| Total | 42,61,70,000 |
| Issued, Subscribed and Paid-up Capital: | |
| 7,84,53,380 Equity Shares of Rs. 5 each | 39,22,66,900 |
| Total | 39,22,66,900 |

6.2. The Share Capital of KRK as on date is as under:

| Particulars | (Amount in Rs.) |
|------------------------------------------------|-----------------|
| Authorised Share Capital | |
| 50,00,000 Equity Shares of Rs.10 each | 5,00,00,000 |
| Total | 5,00,00,000 |
| Issued, Subscribed and Paid-up Capital: | |
| 30,80,000 Equity Shares of Rs.10 each | 3,08,00,000 |
| Total | 3,08,00,000 |

6.3. As on date of the approval of the Scheme by the Board of Directors of KRK and RRIL, there is no change in the capital structure of KRK or RRIL.

PART III MERGER OF KRK WITH RRIL

7. TRANSFER AND VESTING OF ASSETS AND LIABILITIES OF KRK INTO RRIL

7.1. The entire assets, liabilities, Investments, business and

undertaking (including, the Transferor Undertaking) of KRK shall, with effect from the Appointed Date and without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in RRIL, as a going concern, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the relevant Act and in accordance with the provisions of Sections 2(1B) and 47 of the Income Tax Act, 1961 and the provisions of this Scheme in relation to the mode of transfer and vesting of assets. This Scheme is a '*Merger by Absorption*' in terms of the Explanation provided in Section 232 of the Act and shall be deemed to be regarded as an '*Amalgamation*' in terms of Section 2(1B) of the Income Tax Act, 1961.

- 7.2. This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- 7.3. The assets of KRK, which are moveable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession, shall be so transferred by KRK and shall become the property of RRIL without any act or deed on the part of KRK without requiring any separate deed or instrument or conveyance for the same to the end

and intent that the property and benefits therein passes to RRIL.

- 7.4. The assets of KRK on the Appointed Date shall upon the Scheme coming into effect, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in RRIL pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act and the vesting of all such assets shall take place from the Effective Date.
- 7.5. The assets of KRK, acquired by KRK on and from the Appointed Date upto the Effective Date, shall also without any further act, instrument or deed stand transferred to or be deemed to have been transferred to RRIL upon the Scheme coming into effect.
- 7.6. For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of KRK in any leasehold properties shall, pursuant to Section 232 of the Companies Act, 2013 and other applicable provisions of Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in RRIL.
- 7.7. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all approvals, permits, quotas, environmental approval and consents, permissions (municipal and any other statutory permission), licences, accreditations to trade and industrial bodies, privileges, powers, facilities, certificates, clearances, membership, subscriptions, entitlements, incentives, engagements, remissions, remedies, powers, facilities, rehabilitation schemes, authorities, subsidies, concession, special status and other benefits or privileges (granted by any Governmental Authorities or by any other person) any exemptions or waivers of every kind and description of whatsoever nature, powers of attorney given by, issued to or

executed in favour of KRK, shall stand transferred to RRIL as if the same were originally given by, issued to or executed in favour of RRIL and RRIL shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to RRIL.

- 7.8. As a consequence of the amalgamation of KRK with RRIL in accordance with this Scheme, the recording of change in name from KRK to RRIL, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.
- 7.9. Without prejudice to the other provisions of this Scheme, RRIL may, at any time after the Scheme becoming effective, in accordance with the provisions hereof, if required by any applicable law or otherwise, take such actions or execute such documents or deeds or make such applications to the Governmental Authorities or any third person for the purposes of transfer/vesting of the approvals, sanctions, consents, permits, rights, entitlements, contracts or arrangements to which KRK was entitled to or party to, as the case may be and such authority or third party shall pursuant to sanction of this Scheme by Adjudicating Body, deem to take on record in the name of RRIL. RRIL shall make applications to any Governmental Authorities or any third persons (as the case may be) as may be necessary in this behalf.
- 7.10. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of KRK occurs by virtue of this Scheme itself, RRIL may, at any time after the Scheme coming into effect in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (not limited to

deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangements to which KRK was a party or any writing as may be necessary to be executed in order to give formal effect to the above provisions. RRIL shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of KRK and to carry out or perform all such formalities and compliances as required by KRK.

- 7.11. RRIL shall be entitled to the benefit of all insurance policies which have been issued in respect of KRK and the name of RRIL shall be substituted as "Insured" in the policies as if RRIL was initially a party.
- 7.12. RRIL shall be entitled to all the development rights held in the name of KRK and the name of KRK shall be substituted in the document related thereto.
- 7.13. With effect from the Appointed Date, all debts, liabilities and obligations, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of KRK, as on the close of the business on the day immediately preceding the Appointed Date, shall become the debts liabilities, duties and obligations of RRIL. Upon the Scheme coming into effect, RRIL shall, in relation to all debts, liabilities and obligations provided for and disclosed in the books of accounts and / or balance sheet of KRK meet, discharge and satisfy the same to the exclusion of KRK.
- 7.14. With effect from the Appointed Date, and subject to the provisions of this Scheme, the liabilities of KRK including, but not limited to all secured and unsecured debts, sundry creditors, liabilities (including contingent liabilities), and all duties and obligations (including any guarantees, indemnities, letter of credit or any other instrument or arrangement which may give rise to a

contingent liability in whatever form) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the Adjudicating Body and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument or deed or matter or thing be transferred to and vested in or be deemed to have been transferred to and vested in RRIL, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by RRIL to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the liabilities of RRIL on the same terms and conditions as were applicable to KRK, without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause. Further, any existing credit facilities which have been sanctioned to KRK by the bankers, financial institutions and any third party and which is standing as on the Appointed Date but before the Effective Date shall upon the Scheme coming into effect shall *ipso facto* extend to RRIL.

- 7.15. Where any such debts, loans raised, liabilities, duties and obligations of KRK as on the Appointed Date have been discharged or satisfied by KRK after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of RRIL.
- 7.16. With effect from the Appointed Date, all guarantees, indemnities and contingent liabilities of KRK shall also, without any further act or deed, be transferred to or be deemed to be transferred to RRIL so as to become as and from the Appointed Date, as the guarantees, indemnities and contingent liabilities of RRIL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by

virtue of which such guarantees, indemnities and contingent liabilities have arisen or given, in order to give effect to the provisions of this Clause.

- 7.17. The transfer and vesting of KRK as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of KRK, provided however, any reference in any security documents or arrangements, to which KRK is a party, wherein the assets of KRK have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to KRK as are vested in RRIL by virtue of this Scheme, to the end and intent that such security, charges, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of RRIL, provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of RRIL shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages to the end and intent that such securities, charges, hypothecation and mortgages shall not extend or be deemed to extend, to any of other assets of KRK vested in RRIL. Notwithstanding anything contrary provided in this Scheme, it is clarified that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by KRK which shall vest in RRIL by virtue of the vesting of KRK with RRIL and RRIL shall not be obliged to create any further or additional security therefore after the amalgamation has become operative.
- 7.18. Without prejudice to the foregoing provisions, KRK and RRIL may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the respective ROC, Sub Registrar of Assurances and any other

Governmental Authorities to give formal effect to the above provisions, if required.

- 7.19. All inter party transactions between KRK and RRIL as may be outstanding on the Appointed Date or which may take place subsequent to the Appointed Date and prior to the Effective Date, shall be considered as intra party transactions for all purposes from the Appointed Date. Any loans or other obligations, if any, due *inter-se* i.e. between KRK and RRIL as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.
- 7.20. All the loans, advances, credit, overdraft and other facilities sanctioned to KRK by its bankers and financial institutions and any third party as on the Appointed Date, whether utilised, partly drawn or unutilised shall be deemed to be the loans and advances sanctioned to RRIL and the said loans, advances and other facilities can be drawn and utilised either partly or fully by KRK from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by any of KRK (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to RRIL and all the obligations of KRK under any loan agreement shall be construed and shall become the obligation of RRIL without any further act or deed on the part of RRIL. Further, any existing credit facilities which have been sanctioned to KRK by the bankers and financial institutions prior to or after the Appointed Date but before the Effective Date shall, upon the Scheme coming into effect *ipso facto* extend to RRIL.
- 7.21. All existing and future incentives, benefits, brought forward losses (if any), book unabsorbed depreciation, tax unabsorbed depreciation, un-availed credits including MAT credits and exemptions and other statutory benefits, including in respect of

income tax, excise (including cenvat), customs, central goods and services tax, state goods and services tax, integrated goods and services tax, value added tax, sales tax, service tax etc. to which KRK is entitled to in terms of the various statutes / schemes / policies, etc. of Union and State Governments shall be available to and shall vest in RRIL upon this Scheme becoming effective. Accordingly, upon the Scheme becoming effective, RRIL is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, Excise & Cenvat returns, service tax returns, GST, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme. RRIL is also expressly permitted to claim refunds and credits in respect of any transaction between or amongst KRK and RRIL.

- 7.22. All taxes, including, income-tax, tax on book profits, service tax, GST, value added tax, central goods and service tax, state goods and service tax, integrated goods and services tax etc. paid or payable by KRK in respect of the operations and/ or the profits of KRK before the Appointed Date, shall be on account of KRK and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by KRK in respect of the profits or activities or operation of KRK after the Appointed Date, the same shall be deemed to be the corresponding item paid by RRIL and shall, in all proceedings, be dealt with accordingly. Any tax deducted at source by KRK / RRIL on payables to KRK/ RRIL on account of inter corporate loans or balances between KRK and RRIL which has been deemed not to be accrued, shall be deemed to be advance taxes paid by RRIL and shall, in all proceedings, be dealt with accordingly.
- 7.23. Any refund, under the Income-tax Act, 1961, central goods and services tax, state goods and services tax, integrated goods and services tax, service tax laws, excise duty laws, central sales tax,

GST laws, applicable state value added tax laws or other applicable laws / regulations dealing with taxes / duties / levies due to KRK consequent to the assessment made on KRK (including any refund for which no credit is taken in the accounts of KRK) as on the date immediately preceding the Appointed Date shall also belong to and be received by RRIL, upon this Scheme becoming effective.

7.24. Any tax liabilities under the Income-tax Act, 1961, central goods and services tax, state goods and services tax, integrated goods and services tax, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/ duties/ levies of KRK to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to RRIL.

7.25. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of KRK after the Effective Date shall be accepted by the bankers of RRIL and credited to the account of RRIL, if presented by RRIL. Similarly, the banker of RRIL shall honour all cheques issued by KRK for payment after the Effective Date. If required, KRK shall allow maintaining of banks accounts in the name of KRK by RRIL for such time as may be determined to be necessary by KRK and RRIL for presentation and deposition of cheques and pay orders that have been issued in the name of KRK. It is hereby expressly clarified that any legal proceedings by or against KRK in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of KRK shall be instituted, or as the case may be, continued, by or against, RRIL after the coming into effect of the Scheme.

7.26. Pursuant to the order of the Adjudicating Body, RRIL shall file

the relevant notifications and communications in relation to assignment, transfer, cancellation, modification, or encumbrance of any license/ certificate and any other registration including but not limited to central goods and services tax, state goods and services tax, integrated goods and services tax, value added tax, excise, service tax, income tax, IEC Code, ESI, company registration number, PF, etc. if any, for the record of the appropriate authorities, which shall take them on record.

8. ISSUE OF NEW SHARES

- 8.1. Upon the Scheme coming into effect and without any further act or deed on the part of RRIL, RRIL will, in consideration of transfer and vesting of KRK into RRIL in terms of this Scheme, issue and allot 14 (Fourteen) Equity Shares of Rs.5/- each credited as fully paid-up in the capital of RRIL to the Equity Shareholders of KRK for every 1 (One) Equity Share of the Face value of Rs. 10/- each held by the shareholders of KRK (“New Shares Entitlement Ratio”). The New Shares will be issued in the New Shares Entitlement Ratio to registered fully paid-up equity shareholders of KRK whose names are recorded in the register of equity shareholders of KRK on the Record Date.
- 8.2. Mr. Dinesh Kumar Deora (Registered Valuer- Securities or Financial Assets) have issued the report dated March 04, 2020 on the aforesaid New Shares Entitlement Ratio adopted under this Scheme. Mark Corporate Advisors Private Limited, Merchant Banker, has provided its fairness opinion on the aforesaid New Shares Entitlement Ratio. The aforesaid report on New Shares Entitlement Ratio and Fairness Opinion have been duly considered by the Boards of Directors of KRK and RRIL, respectively.
- 8.3. After detailed deliberation and discussions at the meeting held on March 05, 2020 of the Board of Directors of RRIL, for the benefit

of the shareholders of KRK, have decided to issue shares to the members of KRK in the ratio of 14:1 i.e. 14 (Fourteen) equity shares of Rs. 5 each credited as fully paid up in RRIL for every 1 (*one*) equity share of the Face value of Rs. 10/- each held by them in KRK.

- 8.4. RRIL, shall, increase its authorised share capital, to the extent required, in order to issue the New Shares under this Scheme in accordance with the procedure prescribed under Section 61 of the Companies Act, 2013, without prejudice to the right of RRIL to avail set off for the fees paid by KRK as per Clause 16 in terms of Section 232(3) (i) of the Act.
- 8.5. The New Shares, to be issued by RRIL pursuant to Clause 8 above, shall be issued and allotted in dematerialised form by RRIL, unless otherwise notified in writing by the shareholders of KRK to RRIL, on or before such date as may be determined by the Board of Directors of RRIL or a committee thereof. In the event that such notice has not been received by RRIL in respect of any of the shareholders of KRK, the equity shares shall be issued and allotted to such shareholders in dematerialised form, provided that the shareholder of KRK shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required.
- 8.6. In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of KRK, the Board of Directors, or any committee thereof, of KRK shall be empowered in appropriate cases, even subsequent to the Record Date, as the case may be, to effectuate such a transfer in KRK, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to KRK or RRIL, as the case may be, in respect of such shares.
- 8.7. In the event the New Shares are required to be issued and allotted

to such shareholders of KRK, being non-resident, the issue of such shares shall be in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder (for the time being in force, including, any statutory modifications, re-enactments or amendments made thereto from time to time).

- 8.8. The New Shares, to be issued and allotted by RRIL, in terms of this Scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of RRIL. The New Shares, to be issued and allotted, shall rank *pari-passu* in all respects with the existing shares of RRIL, including in respect of dividends, if any, that may be declared by RRIL, on or after the Effective Date.
- 8.9. If, after applying the New Shares Entitlement Ratio, a person eligible to receive equity shares of RRIL pursuant to Clause 8, becomes entitled to receive any fractional equity shares of RRIL, such person shall be entitled to receive one fully paid share instead of any such fractional entitlement.
- 8.10. Pursuant to Clause 8.9 above, the total number of shares that will be issued to equity shareholders of KRK, may vary from the total number of shares of RRIL to be issued as set forth in the first sentence of Clause 8.1.
- 8.11. The issue and allotment of the New Shares in RRIL to the relevant shareholders of KRK as provided in the Scheme shall be carried out and the same would not require following of the procedure laid down under Section 42 and 62 of the Companies Act, 2013 and any other applicable provisions of the relevant Act.
- 8.12. The New Shares to be issued by RRIL under this Scheme pursuant to Clause 8 in respect of any equity shares of KRK which are held in abeyance under the provisions of Section 126 of

the Companies Act, 2013 and other applicable provisions of the relevant Act shall, pending allotment or settlement of dispute by the order of court or otherwise, also be held in abeyance by KRK and RRIL.

- 8.13. For the purpose of issue of the New Shares to the equity shareholders of KRK, RRIL may, if and to the extent required, apply for and obtain the required statutory approvals from the Governmental Authorities for the issue and allotment by RRIL of such New Shares.
- 8.14. Subsequent to the sanction of the Scheme, RRIL will make an application for listing of its New equity shares on the stock exchange in which the shares of RRIL are listed, in pursuance to the relevant regulations including, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circulars.
- 8.15. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system until listing / trading permission is given by the designated stock exchange i.e. BSE Limited.
- 8.16. RRIL and KRK shall duly comply with various provisions of the LODR read with the SEBI Circulars.

9. CANCELLATION OF LOANS AND ADVANCES

- 9.1. Upon the Scheme coming into effect, all the loans, inter-corporate deposits, advances or any kind of debts, as the case may be, paid or subscribed by KRK in RRIL and vice versa shall, without any further act or deed, get cancelled at their respective face value.
- 9.2. Upon the Scheme coming into effect, any instrument either issued by RRIL or KRK in relation to any outstanding loans, advances and/or any kind of debts, as the case may be, as set out in Clause

9.1 shall also, without any further act or deed, get cancelled.

- 9.3. The obligations in respect of aforesaid loans, advances or any kind of debts, as the case may be, shall come to an end and a corresponding suitable effect shall be given in the books of accounts and records of RRIL. If required reduction/ cancellation of such loans, advances or any kind of debts shall be reflected in the books of accounts and records of RRIL.

10. DISSOLUTION OF KRK

- 10.1. Upon the Scheme coming into effect, KRK shall, without any further act or deed, stand dissolved without winding up. The name of KRK shall be struck off from the records of the Registrar of Companies, Mumbai and RRIL shall make necessary filings in this regard.

PART IV REORGANISATION OF SHARE CAPITAL OF RRIL

11. CANCELLATION/ REDUCTION OF SHARE CAPITAL OF RRIL HELD BY KRK

- 11.1. KRK, legally and beneficially, owns 3,59,090 equity shares of Rs. 5/- each of RRIL thereby aggregating to 0.46% of the total issued, subscribed and paid-up equity share capital of RRIL.
- 11.2. As part of the Scheme, upon the Scheme coming into effect, all the equity shares of RRIL held by KRK being, 3,59,090 equity shares of Rs. 5/- each of RRIL, shall stand cancelled and extinguished on and from the Effective Date as an integral part of the Scheme and accordingly, the Share Certificates/ Shares in

Demat Form in respect of the aforesaid equity share in RRIL held by KRK shall also stand cancelled and shall be deemed to be cancelled without any further act or deed.

- 11.3. Accordingly, upon the Scheme coming into effect and after taking into effect cancellation of Equity Shares as mentioned in Clause 11.2 and issue and allotment of New Shares under Clause 8, the issued, subscribed and paid-up equity share capital of RRIL shall change from the sum of Rs.39,22,66,900 divided into 7,84,53,380 equity shares of the face value of Rs.5 each fully paid to Rs.60,60,71,450 divided into 12,12,14,290 equity shares of the face value of Rs. 5 each fully paid to give effect to cancellation of equity shares held by KRK in RRIL.
- 11.4. The cancellation, which amounts to reduction of share capital of RRIL, shall be effected as an integral part of the Scheme itself and shall be deemed to be in accordance with the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Act as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The order of the Adjudicating Bodies sanctioning the Scheme shall be deemed to be an order under Section 66 of the Companies Act, 2013 and other applicable provisions of the Act confirming the reduction without imposing a condition on RRIL to add to its name "and reduced".

PART V

ACCOUNTING TREATMENT

12. ACCOUNTING TREATMENT IN BOOKS OF RRIL

- 12.1. The merger of KRK with RRIL is a 'Business combinations of

entities under common control' within the meaning of Indian Accounting Standard ("*Ind AS*") 103 issued by the Central Government u/s 133 of the Companies Act, 2013 or any applicable standard prevailing. Upon the Scheme coming into effect:

- 12.1.1. RRIL shall recognize the accounting treatment for this Scheme, upon the Scheme becoming effective, in accordance with the provisions of Ind AS 103. The Merger would be accounted for by applying "Pooling of Interest method" of accounting as contained in the Ind AS 103 issued by, Central Government.
- 12.1.2. Accordingly, RRIL shall record the assets, liabilities and reserves (whether Capital or Revenue or arising on Revaluation) pertaining to the business and undertaking of KRK transferred to it in pursuance of this Scheme at their respective carrying amounts and in the same form as at the Appointed Date. RRIL shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards. The balance of Profit and Loss Account of KRK will be aggregated with corresponding balances of RRIL.
- 12.1.3. To the extent that there are inter-corporate loans / trade deposits, debentures, debt securities or balances between KRK and RRIL, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and the records of RRIL for the reduction / netting of any assets or liabilities, as the case may be.
- 12.1.4. Upon the Scheme coming into effect, the surplus / deficit, if any of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of Clause 12.1.2 over the sum of (a) the face value of the new shares on merger issued and allotted pursuant to clause 8.1 and (b) the value of investments cancelled pursuant to Clause

11.2 shall be adjusted in “Capital Reserve Account” or “Goodwill” as the case may be, in the financial statements of the Transferee Company.

- 12.1.5. In case of any differences in accounting policy between KRK and RRIL, the accounting policies followed by RRIL will prevail and the differences, if any, till the Appointed Date will be quantified and appropriately recorded in the Accounts of RRIL to ensure that the financial statements of RRIL reflect the financial position on the basis of consistent accounting policy. The effects on the financial statements of any changes in accounting policies should be reported in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates & Errors.

PART VI GENERAL CLAUSES

13. STAFF, WORKMEN AND EMPLOYEES

- 13.1. On the Scheme coming into effect, all the employees of KRK in service on such date shall be deemed to have become employees of RRIL with effect from the Effective Date without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with RRIL shall not be less favourable than those applicable to them with reference to KRK on the Effective Date. The position, rank and designation of the employees would however be decided by RRIL. Any salary, compensation, fringe benefits, perquisites and other kind of consideration given by KRK from the Appointed Date till the Effective Date will be deemed to have been paid by RRIL.
- 13.2. In so far as the Provident Fund, Gratuity Fund or any other Special Fund created or existing for the benefit of the employees of KRK are concerned, upon the Scheme coming into effect,

RRIL shall, stand substituted for KRK for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of KRK in relation to such Fund or Funds shall become those of RRIL and all the rights, duties and benefits of the employees employed in KRK under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. The contributions made by KRK in respect of its employees to such Fund or Funds for any period subsequent to the Appointed Date shall be deemed to be contributions made by RRIL. It is clarified that the services of the employees of KRK will be treated as having been continuous for the purpose of the said Fund or Funds.

14. CONTRACTS, DEEDS AND STATUTORY CONSENTS

- 14.1. Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature of KRK which are subsisting or having effect immediately before the Effective Date shall be in full force against or in favour of RRIL, and may be enforced as fully and effectively as if, instead of KRK, RRIL has been a party or beneficiary thereto. RRIL shall, if necessary, to give formal effect to this Clause, enter into and / or issue and / or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which KRK is a party.
- 14.2. RRIL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which

KRK is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. RRIL shall be deemed to be authorised to execute any such writings on behalf and in the name of KRK and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of KRK.

- 14.3. RRIL shall be entitled, pending the sanction of the Scheme, to apply to the relevant Governmental Authorities (including, the Court, Tribunal, Debt Recovery Tribunal, as the case may be or any other agency, department or other authorities concerned as may be necessary under law), for such consents, approvals and sanctions which RRIL, respectively, may require to own and operate all or any party of KRK.

15. VALIDITY OF EXISTING RESOLUTIONS

- 15.1. Upon coming into effect of this Scheme, the resolutions of KRK including the approvals that may have been obtained by KRK from its shareholders and which are valid and subsisting on the Effective Date, as are considered necessary by the Board of Directors of RRIL shall be considered as resolutions of RRIL. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of RRIL, shall be added to the limits, if any, under the like resolutions passed by RRIL.

16. MERGING OF AUTHORISED SHARE CAPITAL

- 16.1. Upon the Scheme coming into effect, in accordance with the provisions of Section 232 of the Companies Act, 2013 the authorised share capital of KRK of Rs.5,00,00,000 (*Rupees Five Crores only*) shall stand combined / consolidated with the authorised share capital of RRIL and on the Scheme coming into

effect, the authorised share capital of RRIL shall, without any further act, deed or action, stand increased (*post combination and consolidation*) and reconstituted to Rs.47,61,70,000 (*Rupees Forty Seven Crores Sixty One Lakhs Seventy Thousand only*) divided into 9,52,34,000 equity shares of Rs. 5/- each.

16.2. Clause V of the Memorandum of Association of RRIL shall be amended by deleting the clause and replacing it by the following:

16.3. *"The Authorised Share Capital of the Company is Rs.47,61,70,000 (Rupees Forty Seven Crores Sixty One Lakhs Seventy Thousand only) divided into 9,52,34,000 equity shares of Rs.5/- each., with the rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in the Articles of Association of the Company and with the power to increase or reduce the capital of the Company and divide the shares in the share capital for the time being into several classes and to attach thereto respectively such preferential, qualified for special rights, privileges, or conditions in such manner as may be determined by or in accordance with the Articles of Association of the Company for the time being in force, and to vary, modify, enlarge or abrogate any such rights, privilege or conditions in such manner as may be permitted by the said Act or provided by the Articles of Association of the Company for the time being force."*

16.4. It is hereby clarified that an increase in authorised share capital of RRIL, if required, shall be effected as an integral part of this Scheme without any further act or deed on the part of RRIL and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment. RRIL shall not be obliged to follow the procedure or filing as required under Sections 13, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the relevant Act. It is further clarified that no registration fee / ROC fees, stamp duty etc., shall

be payable by RRIL. Upon the Scheme coming into effect, the fees paid by KRK on the authorised share capital of KRK shall, without any act or deed, be available as a set off to RRIL in terms of Section 232(3) (i) of the Act.

- 16.5. The aforesaid quantum of merging of authorised share capital of KRK with RRIL and consequent amendment to the Memorandum of Association of RRIL is indicative in nature and the same shall be subject to change due to any increase in authorised share capital of KRK or RRIL pursuant to the Appointed Date till the Scheme coming into effect. Any such increase in the authorised share capital of KRK or RRIL pursuant to the Appointed Date till the Scheme coming into effect shall stand ipso facto added or clubbed to aggregate authorised share capital of RRIL as set out in Clause 16.1 above.

17. LEGAL PROCEEDINGS

- 17.1. Any suit, petition, appeal or other proceeding of whatsoever nature and any orders of court, judicial or quasi-judicial tribunal or other Governmental Authorities enforceable by or against KRK including without limitation any restraining orders (including order under section 281B of the Income-tax Act, 1961) pending before any court, judicial or quasi-judicial tribunal or any other forum, relating to KRK, whether by or against KRK, pending as on the Effective Date, shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of KRK or of any order of or direction passed or issued in the amalgamation proceedings or anything contained in this Scheme, but by virtue of the order sanctioning the Scheme, such legal proceedings shall be continued and any prosecution shall be enforced by or against RRIL in the same manner and to the same extent as would or might have been continued, prosecuted and / or enforced by or against KRK, as if this Scheme had not been implemented.

17.2. After the Appointed Date and until the Effective Date, KRK shall defend all legal proceedings, other than in the ordinary course of business, with the advice and instructions of RRIL.

17.3. The transfer and vesting of the assets and liabilities under the Scheme and the continuance of the proceedings by or against RRIL shall not affect any transaction or proceeding already completed by KRK between the Appointed Date and the Effective Date to the end and intent that RRIL accepts all acts, deeds and things done and executed by and / or on behalf of KRK as acts, deeds and things done and executed by and on behalf of RRIL.

18. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

18.1. With effect from the Appointed Date and up to the Effective Date:

18.1.1. KRK shall carry on its business and activities in the normal course of business till the vesting of the Transferor Undertaking and amalgamation of KRK with RRIL on the Effective Date and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the assets of KRK for and on account of and in trust for RRIL;

18.1.2. all the profits or income accruing or arising to KRK in relation to the Transferor Undertaking or the expenditure or losses arising or incurred by KRK shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of RRIL.

18.1.3. KRK shall carry on their business activities with general prudence and shall not, without prior written consent of RRIL, alienate, charge or otherwise deal with or dispose off any of its business undertaking or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by

KRK prior to the Appointed Date).

- 18.1.4. KRK shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, including Securities & Exchange Board of India (SEBI) and BSE Ltd. wherever necessary for such consents, approval and sanctions which RRIL may require including the registration, approvals, exemptions, reliefs, etc., as may be required to be granted under any law for time being in force for carrying on business by RRIL.
- 18.1.5. KRK shall not make any modification to its capital structure, either by increase, decrease, reclassification, sub-division or reorganisation or in any other manner, whatsoever, except by mutual consent of the Boards of Directors of KRK and of RRIL.
- 18.1.6. all the taxes of KRK in relation to the Transferor Undertaking paid or payable by KRK, including Income Tax Refunds receivable, Tax Credits such as TDS Deducted by Customers / Banks, CENVAT Credit Balances, Goods and Services Tax Credit Balances, Goods and Services Tax Refunds due and Service Tax Refunds due, etc. shall be deemed to be taxes paid or payable by or Credits available (as the case may be) for RRIL; and
- 18.1.7. KRK shall, with simultaneous intimation to RRIL, take major policy decisions in respect of its assets and liabilities and its present capital structure.

19. RATIFICATION

- 19.1. Except as provided in the Clauses above, RRIL shall accept all acts, deeds and things relating to the Transferor Undertaking, done and executed by and/or on behalf of KRK on and after the

Appointed Date as acts, deeds and things done and executed by and / or on behalf of RRIL, as the case may be.

20. DIVIDEND, PROFIT, BONUS, RIGHT SHARES

- 20.1. At any time upto the Effective Date KRK shall not declare dividend, distribute profits, or issue or allot any right shares or bonus shares or any other security converting into equity shares or other share capital or obtain any other financial assistance converting into equity shares or other share capital, unless agreed to by the Board of Directors of RRIL.

PART VII GENERAL TERMS AND CONDITIONS

21. APPLICATION TO ADJUDICATING BODY

- 21.1. KRK and RRIL shall, with all reasonable despatch, make applications / petitions (jointly, if permissible) under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to the relevant Adjudicating Body, for sanctioning of this Scheme and all matters ancillary or incidental thereto.

22. MODIFICATIONS, AMENDMENTS TO THE SCHEME

- 22.1. Upon prior approval from the Adjudicating Body, KRK and RRIL (by their respective Board of Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme (including but not limited to the terms and conditions thereof) or any conditions or limitations which the relevant Adjudicating Body, or any authorities under the law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out

this Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.

- 22.2. For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Directors of KRK and RRIL, or any person authorised in that behalf by the concerned Board of Directors, may give and is / are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

23. CONDITIONALITY OF THE SCHEME

- 23.1. Unless otherwise decided by the Board of KRK and RRIL, this Scheme is specifically conditional upon and subject to:

23.1.1. the approval of the Scheme by the requisite majority of the respective members and such class of persons of KRK and RRIL, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the relevant Adjudicating Body in this respect;

23.1.2. the approval of the shareholders of transferor and transferee company through e-voting and / or other mode as may be required under any applicable law and the SEBI circular. The scheme is conditional upon scheme being approved by the PUBLIC shareholders through e-voting in terms of para 9 (a) of Part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

23.1.3. sanction of the relevant Adjudicating Body, being obtained under Sections 230 to 232 read with Section 66 of the Companies Act, 2013, and other applicable provisions of the Act, if so required on

behalf of KRK and RRIL;

- 23.1.4. the necessary certified copies of the order under Sections 230 to 232 of the Act, and other applicable provisions of the Act are duly filed with the Registrar of Companies;
- 23.1.5. approval of the Government of India and/ or Reserve Bank of India and/ or Securities and Exchange Board of India, if required and the consent of the BSE Limited where such approval or consent is necessary; and
- 23.1.6. all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

24. EFFECTIVE DATE OF THE SCHEME

- 24.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Adjudicating Body and/or by the Board of Directors in terms of Clause 23 shall although be operative from the Effective Date but shall be deemed to be retrospectively effective from the Appointed Date in accordance with the provisions of Section 232 (6) of the Act.

25. REVOCATION OF THE SCHEME

- 25.1. In the event of any of the said sanction and approval referred to in the preceding Clauses 23 above not being obtained and/or the Scheme not being sanctioned by applicable Adjudicating Body and/or the Order(s) not being passed as aforesaid within eighteen (18) months from the date of filing of the Company Application with the relevant Adjudicating Body, or within such further period(s) as may be agreed upon from time to time between KRK and RRIL (through their respective Board of Directors), this Scheme shall stand revoked, cancelled and be of no effect and in

that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between KRK and RRIL, or their respective shareholders or employees or any other persons, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme and or otherwise arise as per law. For the purpose of giving full effect to this Scheme, the respective Board of Directors of KRK and RRIL, are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by their respective delegates.

- 25.2. The Board of Directors of KRK and RRIL, shall be entitled to revoke, cancel and declare the Scheme of no effect if such Boards of Directors of KRK and RRIL are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up/ certified/ authenticated orders with any authority could have adverse implication on both/ any of the companies or in case any condition or alteration imposed by the relevant Adjudicating Body or any other authority is not on terms acceptable to them.
- 25.3. If any part of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

Registered Valuer - Securities or Financial Assets

IBBI Registration Number IBBI/RV/03/2019/12711

ICSI RVO COP Number ICSIRVO/5FA/73

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097

Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

To,

The Board of Directors
KRkumar Industries Ltd
101, Raj Bhavan, Daulat Nagar,
Room No 9, Borivali (East)
Mumbai-400066

RRIL Limited.
(formerly known as SRK Industries Ltd.)
325, Hari Om Plaza, M. G Road,
Borivali (East), Mumbai-400066

Dear Sirs,

Sub : Evaluation and determination of Equity Share Exchange Ratio for the proposed amalgamation/merger of Krkumar Industries Limited with RRIL Limited.

- 1) This report is prepared by Mr. Dinesh Kumar Deora, ("The Registered Valuer") registered with Insolvency and Bankruptcy Board of India (IBBI), solely for estimating the value of KRkumar Industries Limited (The "Transferor Company") and RRIL Ltd. (The "Transferee Company") for purpose of determining the Fair Value of equity share with a view to arrive at the exchange ratio for the proposed amalgamation/merger. The Registered Valuer has been engaged by the Company for the aforementioned purpose only.

This report is not to be used, circulated and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without The Registered Valuer's approval.

The Registered Valuer has called for and obtained such data, information, etc., as was necessary for the purpose of this assignment which has been made available to the Registered Valuer by the management of the Company, for the purpose of this assignment, the Registered Valuer has relied on the statements; information and explanation provided to him and has not tried to evaluate the accuracy thereof.

The Registered Valuers work does not constitute certification or due diligence of the past working results of the Company and the Registered Valuer has relied upon the information provided to it by the Company as set out in their audited and working results.

The Registered Valuer has not carried out any physical verification of the assets and liabilities of the Company and takes no responsibility on the identification of such assets and liabilities.

The valuation of this Company has been carried out for the express purpose of assessing the valuation of the Company for valuation of shares/valuation of business and shall not be applicable or referred to quoted in any other context.



Registered Valuer - Securities or Financial Assets

IBBI Registration Number IBBI/RV/03/2019/12711

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Tel No. : 022-28443641

Email: dinesh.deora@yahoo.com

2) **Brief Profile of the Companies:**

RRIL Limited ("RRIL") is a company incorporated on 06th August 1991 under the Companies Act 1956 with the office of the Registrar of Companies, Mumbai having its Corporate Identification Number L17121MH1991PLC257750 and having its Registered Office at 325, 3rd Floor, Hari Om Plaza, M G Road, Opp National Park, Borivali (East), Mumbai-400066. The Company was formerly known as "SRK Industries Limited". The present Authorized Share Capital of RRIL is Rs. 42,61,70,000/- divided into 8,52,34,000 Equity Shares of Rs. 5/- each. The present Issued, Subscribed and Paid up Share Capital of RRIL is Rs. 39,22,66,900/- divided into 78,45,380 Equity Shares of Rs. 5/- each.

KRkumar Industries Limited ("Krk") is a company incorporated, on 25th March, 1987 under the Companies Act 1956 with the office of the Registrar of Companies, Mumbai having Corporate Identification Number U45203MH1987PLC042969 and having its Registered Office at 101, Raj Bhavan, Daulat Nagar, Road No 9, Borivali (East), Mumbai-400066.

The present Authorized Share Capital of the KRK is Rs. 5,00,00,000/- divided into 50,00,000 Equity Shares of Rs. 10/- each. The present Issued, Subscribed and Paid up Share Capital of KRK is Rs. 3,08,00,000 divided into 30,80,000 Equity Shares of Rs. 10/- each.

RRIL Limited is the Transferee Company and Krkumar Industries Limited is the Transferor Company.

I have been informed that the above two Companies are considering a Scheme of Amalgamation/Merger under Sections 230-232 of the Companies Act, 2013 ("the Act") whereby, KRK would be amalgamated/merged with RRIL.

3) **Information Furnished:**

For the purposes of the aforesaid engagement, I was provided with the following relevant documents / information pertaining to the Transferor Company and Transferee Company:

- (i) Memorandum and Articles of Association ;
- (ii) Audited Annual Accounts for the financial year ended 31st March, 2017, 31st March 2018, 31st March, 2019 and 31st December, 2019.
- (iii) Shareholding pattern of as on 31st December, 2019.
- (iv) Draft Scheme of Amalgamation under Sections 230-232 of the Act.
- (v) Other information and explanations which were considered relevant, reasonable and necessary for my engagement from the executives and representatives of the respective companies.

4) **Salient Features of the Scheme:**

The salient features of the Scheme are as under:

4.1 The Scheme envisages the amalgamation of KRK with RRIL under sections 230-232 of the Act.



Registered Valuer - Securities or Financial Assets

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4.2 The management of the respective two companies believe that the restructuring would benefit the companies and its stake holders on account of the elimination of multiple entities which would result into greater administrative efficiency eliminates administrative functions and multiple record keeping, thus resulting in reduced expenditure, and significant reduction in the multiplicity of regulatory compliances.

"Appointed Date" means April 01, 2020.

4.3 "Effective Date" means the date on which the authenticated copies or certified copies of the Orders of the National Company Law Tribunal (NCLT), sanctioning the Scheme are filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company.

4.4 With effect from the Appointed Date all the assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible), investments and liabilities of the Transferor Company shall be transferred to and vested in the Transferee Company;

5) Valuation Methodology for Amalgamation:

5.1 To arrive at the share exchange swap ratio between the equity shares of Transferor Company and Transferee Company, it is necessary to value equity shares of Transferor Company KRK in terms of the value of the equity shares of RRIL. These values are to be determined independently but on a relative basis, without considering the current transaction.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a Valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at, after taking into account its purpose and shareholding pattern in each of the two companies, using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner.

For the purpose of valuation of Equity Shares of KRK, I have used Net Asset Value Method and Price Earning Capacity Method whereas in case of RRIL, I have used Net Asset Value Method and Market Price Method as the most appropriate methods.

5.2 There are a number of techniques/methods for valuation of shares. According to a High Court statement: "The valuation of shares is a technical matter which requires considerable skills and expertise. There are bound to be differences of opinion as to the correct value of shares of the company. Simply because it is possible to value the shares in a manner different from the one adopted in a given case, it cannot be said that the valuation agreed upon has been unfair."

5.3 However, following methods are widely used for determining the fair value of equity shares:

- Market Value (MV) Method (In the case of Listed Company);
- Price Earning Capacity Valuation (PECV) Method;
- Net Assets Value (NAV) Method.



Registered Valuer - Securities or Financial Assets

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Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

Market Value (MV) Method:

Market value of shares of a company quoted on stock exchanges - The market value of a listed stock carries significant weightage in the analysis of the equity value of the company. The price, at which the shares of a listed company are quoted on a recognized stock exchange, is an indicator of the value of the company. This method is effective in various situations as market forces collectively determine the price quoted on the stock exchanges. The market value is an outcome of various factors like quality and integrity of the Management, present and prospective competition, yield on comparable securities, market sentiment, etc.

Since the shares of Transferor Company involved in the Scheme is not listed on any stock exchange, I have not considered this method for valuation of KRK shares but since Transferee Company is a listed company, I have considered this method for the valuation of RRIL shares.

Price Earning Capacity Valuation (PECV) Method:

This method of valuation presumes the continuity of business and uses the past earnings. For the purpose of the Profit Earning Capacity Value of the shares, the commonly accepted approach is to capitalize average earnings of past at an appropriate rate of capitalization, to arrive at a fair value per share.

While calculating Average Earning Per Share, the audited financial statements for the year ended March 31, 2017, March 31, 2018 and March 31, 2019 and 31st December 2019 taken into consideration and EPS is capitalized by taking Industry Composite PE of 9.20 (Source: Industry P/E Ratio is taken from the Capital Market Magazine, Feb 10-23, 2020, Industry: Textile-Cotton/Blended).

I have used this method for valuation of shares of KRK but have not used this method for valuation of shares of RRIL since RRIL incurred losses for the past two years.

Net Assets Value (NAV) Method:

The asset based valuation technique is based on the value of the underlying net assets of the company, either on a realizable value basis or replacement cost basis. This method is also known as the Net Asset Valuation ("NAV") methodology.

Considering the nature of business of the company and other facts and based on the discussions with the management, including the fact that the two companies are closely held companies and as informed, owned by the same group and upon the proposed restructuring, none of the stake holders are likely to be adversely affected, the asset based valuation technique seems to be appropriate for valuing the shares of the two companies. In other words, net assets (operating business assets) have been valued using book value as shown in the Accounts as at 31st December 2019

I have used this method for the valuation of Shares of KRK as well as RRIL.

5.4 Accordingly, Fair Valuation of shares of the Transferor Company has been determined on the basis of Weightage of the Two Methods i.e., Net Asset Value Method and PECV Method, and the Transferee Company has been determined on the basis of Weightage of the Two method i.e. Net Asset Value Method and Market Value Method for the purpose of working out of share exchange swap ratio for amalgamation/merger.

5.5 Value of shares has been calculated on the basis of the latest Audited Balance sheet as on 31st December, 2019 and Profit & loss A/c for the period ended 31st December, 2019.



Registered Valuer - Securities or Financial Assets

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Email: dinesh.deora@yahoo.com

6) Share Exchange Ratio for the proposed Amalgamation:

On the basis of valuation exercise and after rounding off, in my opinion, the ratio at which Transferee Company shall issue its equity shares to the shareholders of Transferor Company shall be as under (For detailed working – see Annexure I to this Report):

To the shareholders of KRK

Against 1 (One) Equity Share of the face value of Rs.10 each of the KRK, 14 (Fourteen) Equity Shares of the face value of Rs.5/- of the RRIL will be issued.

This valuation and the resultant exchange ratio are subject to the statement of assumptions and limiting conditions set out in Annexure-II.

I shall also inform that I have no obligation to update this report or my calculation of value on account of any information that may come to my attention after signing of this report.



Dinesh Kumar Deora
REGISTERED VALUER: Securities or Financial Assets
IBBI Registration Number IBBI/RV/03/2019/12711
ICSI RVO COP Number: ICSIRVO/SFA/73
UDIN Number: F005683A000593578



Place : Mumbai
Date : March 04,2020

Registered Valuer - Securities or Financial Assets

IBBI Registration Number IBBI/RV/03/2019/12711

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Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

Annexure - 1

TO MY REPORT DATED 4TH MARCH, 2020 RECOMMENDING EQUITY SHARE EXCHANGE RATIO FOR THE PROPOSED AMALGAMATION OF KRKUMAR INDUSTRIES LIMITED WITH RRIL LTD.

Amount in Rs

i) Valuation of Equity Shares of RRIL Limited (Formerly known as SRK Industries Ltd)

Valuation of Equity Shares based on Net Asset Value (NAV)

| Method I | | Method II | |
|----------------------------------------|-------------|--------------------------------------------------------|--------------------|
| Particulars | 31.12.2019 | Particulars | 31.12.2019 |
| (A) Total Assets of Company | 332,060,560 | (A) Shareholders' Fund | |
| (B) Deductions: | | Equity Share Capital | 392,266,900 |
| Secured Loan | - | Reserves & Surplus | 18,051,171 |
| Unsecured Loan | - | TOTAL | 410,318,071 |
| Deferred Tax Liability | - | (B) Deductions | |
| Current Liabilities: | | Miscellaneous Expenditure (to the extent not w/off) | 112,087,500 |
| Trade Payables | 32,600,234 | Total Deductions | 112,087,500 |
| Other Current Liabilities | 375,155 | | |
| Provisions | 854,600 | | |
| Total Deductions | 33,829,989 | | |
| (C) Net Worth [A-B] | 298,230,571 | (C) Net Worth [A-B] | 298,230,571 |
| Total No. of Equity Shares | 78,453,380 | No. of Equity Shares | 78,453,380 |
| Net Assets Value per share (In Rs.) | 3.80 | Net Assets value per share (In Rs.) | 3.80 |

ii) Valuation of Equity Shares based on Market Price Method

| Sr. No. | Month | No. of Shares | Total Turnover |
|---------|--------|------------------|------------------|
| 1 | Mar-19 | 330,500 | 156,865 |
| 2 | Apr-19 | 298,205 | 159,137 |
| 3 | May-19 | 1,278,991 | 853,242 |
| 4 | Jun-19 | 1,142,877 | 750,393 |
| 5 | Jul-19 | 219,793 | 177,829 |
| 6 | Aug-19 | 142,609 | 112,857 |
| 7 | Sep-19 | 1,219,524 | 1,022,153 |
| 8 | Oct-19 | 884,087 | 679,568 |
| 9 | Nov-19 | 483,434 | 375,947 |
| 10 | Dec-19 | 3,294,371 | 2,623,600 |
| 11 | Jan-20 | 333,004 | 430,435 |
| 12 | Feb-20 | 204,006 | 288,691 |
| | | 9,831,401 | 7,630,717 |



Registered Valuer - Securities or Financial Assets

IBBI Registration Number IBBI/RV/03/2019/12711

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Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

Weighted Average Price per Share of RRIL Limited

0.78

iii) Valuation of Equity Shares

| Method | Price Per Share | Weight | Product |
|---------------------------------|-----------------|--------|-------------|
| Net Asset Value | 3.80 | 1 | 3.80 |
| Market Value | 0.78 | 2 | 1.55 |
| | | 3 | 5.35 |
| Per Share Value (In Rs.) | | | 1.78 |

Amount in Rupees

Valuation of Equity Shares of KRKumar Industries Ltd

i) Valuation of Equity Shares based on Net Asset Value (NAV)

| Method I | | Method II | |
|--------------------------------------------|-------------------|--------------------------------------------|-------------------|
| Particulars | 31.12.2019 | Particulars | 31.12.2019 |
| (A) Total Assets of Company | 79,367,263 | (A) Shareholders' Fund | |
| (B) Deductions | | Equity Share Capital | 30,800,000 |
| Non-Current Liabilities: | | Reserves & Surplus | 40,125,144 |
| Deferred Tax Liability | 2,118. | TOTAL | 70,925,144 |
| Current Liabilities: | | (B) Deductions: | - |
| Short Term Borrowings | 400,000 | Total Deductions | - |
| Other Current Liabilities | 7,840,000 | | |
| Short Term Provisions | 200,000 | | |
| Total Deductions | 8,442,118 | | |
| (C) Net Worth [A-B] | 70,925,145 | (C) Net Worth [A-B] | 70,925,144 |
| Total No. of Equity Shares | 3,080,000 | No. of Equity Shares | 3,080,000 |
| Net Assets Value per share (In Rs.) | 23.03 | Net Assets Value per share (In Rs.) | 23.03 |



Dinesh Kumar Deora

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Registered Valuer - Securities or Financial Assets

IBBI Registration Number IBBI/RV/03/2019/12711

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Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

ii) Valuation of Equity Shares based on Profit Earning Capacity Value (PECV)

| Period | Profit After Tax | No. of Equity Shares | Earning Per Share (EPS) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------|-------------------------|
| 01.04.2016 to 31.03.2017 (Audited) | 590,504 | 3,080,000 | 0.19 |
| 01.04.2017 to 31.03.2018 (Audited) | 24,962,685 | 3,080,000 | 8.10 |
| 01.04.2018 to 31.03.2019 (Audited) | 1,696,390 | 3,080,000 | 0.55 |
| | | | 2.95 |
| Per Share Value (Industry Average Price Earning Ratio) based on same line of activity : Industry : Textiles-Cotton/Blended Sources: Capital Market Magazine, Edition: Feb 10 - 23, 2020) | | | 9.20 |
| | | | 27.13 |

Valuation of Equity Shares of KRK Industries Ltd

| Method | (FV of Rs. 10) | | | (FV of Rs. 5)* | | |
|---------------------------------|-----------------|--------|--------------|-----------------|--------|--------------|
| | Price Per Share | Weight | Product | Price Per Share | Weight | Product |
| Net Asset Value | 23.03 | 1 | 23.03 | 11.51 | 1 | 11.51 |
| P.E. Capacity Value | 27.13 | 2 | 54.26 | 13.57 | 2 | 27.13 |
| | | 3 | 77.29 | | 3 | 38.65 |
| Per Share Value (In Rs.) | | | 25.76 | | | 12.88 |

* Assumed 61,60,000 Equity Shares of Rs. 5 each which is equivalent to 30,80,000 Equity Shares of Rs. 10 each.



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Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

Annexure II

Statement of Assumptions and Limiting Conditions

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation and should not be used out of the context presented herein.
2. RRIL and KRK has warranted to us that the information supplied to us was complete and accurate to the best of its knowledge and that the financial information properly reflects the business conditions and operating results for
3. the year in accordance with generally accepted accounting principles. Information supplied to us has been accepted as correct without any further verification. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
4. Financial information of the subject companies is included solely to assist in the development of a value conclusion presented in this report and should not be used to obtain credit or for any other allied purpose.
5. We have been informed that both the companies have consistently grown in past and management have provided us future projections for next five years.
6. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without my written consent. This report and the conclusion of value arrived at herein are for the exclusive use of the client for the sole and specific purposes as noted herein.
7. The report and conclusion of value are not intended and should not be construed by the reader to be an investment / disinvestment advice. The conclusion of value represents our considered opinion, based on information furnished by the client.
8. Neither all nor any part of the contents of this report (especially the conclusion of value) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication without our prior written consent and approval.
9. This valuation reflects facts and conditions existing or reasonably foreseeable at the valuation date. Subsequent events have not been considered, and we have no obligation to update the report for such events and conditions.
10. Our engagement for this valuation assignment does not include any procedures designed to discover any defalcations or other irregularities, should any exist.
11. No change of any item in this valuation report shall be made by anyone and we bear no responsibility for any such unauthorized change.
12. We have held discussion with the management including directors of KRK and RRIL and the team of advisors / finance personnel concerning the present results of the Companies. We have relied on the representations by them concerning the valuation of all assets and liabilities reflected in the financial statements as on 31st December, 2019.



Dinesh Kumar Deora

Registered Valuer - Securities or Financial Assets

IBBI Registration Number IBBI/RV/03/2019/12711

ICSI RVO COP Number ICSIRVO/SFA/73

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097

Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

CERTIFICATE


This is to certify that the Valuation of RRIL Limited and KRKumar Industries Limited has relative Fair Value per share and fair share exchange ratio as follows:

Computation of Fair Share Exchange Ratio:

| Valuation Approach | RRIL Ltd | | KRKUMAR Industries Ltd | |
|------------------------------|-----------------|--------|------------------------|--------|
| | Value per Share | Weight | Value per Share | Weight |
| Net Asset Value Approach | 3.80 | 1 | 23.03 | 1 |
| Income Approach | - | - | 27.13 | 2 |
| Market Approach | 0.78 | 2 | - | - |
| Relative Value per Share | 1.78 | | 12.88 | |
| Exchange Ratio (rounded off) | 14:1 | | | |

Ratio:

Against 1 (One) Equity Share of the face value of Rs.10/- each of KRKumar Industries Limited, 14 (Fourteen) Equity Shares of the face value of Rs.5/- of the RRIL Limited be issued to the shareholders of KRKumar Industries Limited.


Dinesh Kumar Deora
REGISTERED VALUER: Securities or Financial Assets
IBBI Registration Number IBBI/RV/03/2019/12711
ICSI RVO COP Number: ICSIRVO/SFA/73
UDIN Number: F005683A000593578



Place : Mumbai
Date : March 04,2020

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
 Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

To,

The Board of Directors
 RRIL Limited.

(Formerly known as SRK Industries Limited)
 325, Hari Om Plaza, M. G Road.
 Borivali (East), Mumbai-400066

Dear Sirs,

Sub : Addendum to our report dated 4th March,2020 on recommendation of fair exchange ratio for the proposed merger of KRKumar Industries Limited into RRIL Limited

We refer to our report titled "Evaluation and determination of Equity Share Exchange Ratio for the proposed amalgamation / merger of KRKumar Industries Limited with RRIL Limited" ("Proposed Merger") dated 4th March,2020 ("the Report") and BSE email dated 30th April,2020 received by RRIL Limited.

We also refer to our certificate dated 4th March, 2020 issued to RRIL Limited in relation to the Computation of Exchange Ratio for the purpose of compliance with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

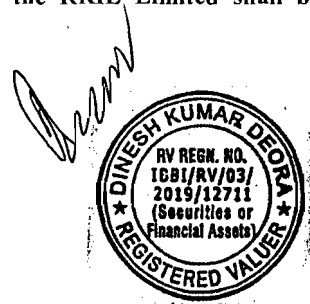
Further Based on the remarks provided by BSE, we are reproducing the Computation of Fair Share Exchange Ratio table below by reiterating the reasons for not using specific methods of valuation as a footnote to the table which has been mentioned in Section "Valuation Methodology for Amalgamation" of the report. The table in the certificate hereon can be read as follows.

Computation of Fair Share Exchange Ratio:

| Valuation Approach | RRIL Ltd | | KRKUMAR Industries Ltd | |
|-------------------------------------|-----------------|--------|------------------------|--------|
| | Value per Share | Weight | Value per Share | Weight |
| Net Asset Value Approach | 3.80 | 1 | 23.03 | 1 |
| Income Approach | - | - | 27.13 | 2 |
| Market Approach | 0.78 | 2 | - | - |
| Relative Value per Share | 1.78 | | 12.88 | |
| Exchange Ratio (rounded off) | 14:1 | | | |

Ratio:

Against 1 (One) Equity Share of the face value of Rs.10/- each of KRKumar Industries Limited, 14 (Fourteen) Equity Shares of the face value of Rs. 5/- of the RRIL Limited shall be issued to the shareholders of KRKumar Industries Limited.



ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097

Tel No. : 022-28443641

Email: dinesh.deora@yahoo.com

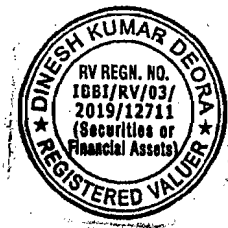
Note:

1. Income Approach Method has not been used for valuation of Equity Shares of RRIL Limited ("the Transferee Company") since RRIL Ltd has incurred losses for the past 2 years i.e. 31st March, 2017 and 31st March, 2019.
2. Market Approach Method has not been used for valuation of Equity Shares of KRKumar Industries Limited ("the Transferor Company") as KRKumar Industries Ltd is not listed on any Stock Exchange.

Further audited accounts for period ending 31st December 2019 appearing under para 3(ii) under heading "Information Furnished" as well as wherever appearing in our valuation report dated 4th March, 2020 should be read as Accounts certified by Auditor for period ended 31st December, 2019".



Dinesh Kumar Deora
REGISTERED VALUER: Securities or Financial Assets
IBBI Registration Number IBBI/RV/03/2019/12711
ICSI RVO COP Number: ICSIRVO/SFA/73
UDIN Number: F005683B000214474



Place: Mumbai
Date: May 08, 2020



March 05, 2020

MCAPL: MUM: 2019-20: 207

To,
 The Board of Directors
 RRIL Limited
 (formerly known as SRK Industries Limited)
 A-325, Hari Om Plaza,
 M.G. Road
 Borivali (East),
 Mumbai-400066.

Sub : Fairness Opinion Certificate on the Valuation of shares in the matter of proposed merger of KRKumar Industries Limited (hereinafter referred to as "KRK") with RRIL Limited (formerly known as SRK Industries Limited) (hereinafter referred to as "RRIL")

Dear Sir,

The Board of Directors of RRIL Limited has appointed us on 27th February, 2020 and has requested us to issue Fairness Opinion Certificate in connection with the valuation exercise being carried out by Mr. Dinesh Kumar Deora, Registered Valuer having IBBI Registration Number IBBI/RV/03/2019/12711 (hereinafter referred to as "the Valuer").

1. PURPOSE OF VALUATION

- 1.1 The Board of Directors of both the Companies have considered proposal for the Merger of KRK ("Transferor") with RRIL ("Transferee").
- 1.2 In this regard, Mr. Dinesh Kumar Deora Registered Valuer having IBBI Registration Number IBBI/RV/03/2019/12711 was appointed to carry out the valuation with a view to recommend an exchange ratio of shares in the event of Merger of KRK with RRIL and to determine the Equity Shares to be issued by RRIL to the Shareholders of KRK.
- 1.3 The information contained herein and our certificate is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per SEBI (LODR) Regulations, 2015.

2. SOURCE OF INFORMATION

For the purpose of the valuation, we have relied upon the following source of information provided by the management of the KRK and RRIL.

- (i) Memorandum and Articles of Association;
- (ii) Audited Annual Accounts for FY 2016-2017, FY 2017-2018, FY 2018-2019 and for the nine (9) months period ended December 31, 2019;
- (iii) Copy of Valuation Report dated March 04, 2020 issued by Mr. Dinesh Kumar Deora, Registered Valuer having IBBI Registration Number IBBI/RV/03/2019/12711 and

Page 1 | 3

MARK CORPORATE ADVISORS PVT. LTD.

CIN No : U67190MH2008PTC181996

GSTIN/UIN : 27AAF5379J1ZY

404/1, The Summit Business Bay, Sant Janabai Road, (Service Lane), Off. W. E. Highway, Vile Parle (E), Mumbai - 400 057
 Tele : +91 22 2612 3207 Fax : +91 22 2612 3208 Web : www.markcorporateadvisors.com E-mail : info@markcorporateadvisors.com





(iv) Draft Scheme of Arrangement.

3. EXCLUSIONS AND LIMITATIONS

- 3.1 Conclusions reached by us are dependent on the information provided to us being complete & accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. We have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our certificate.
- 3.2 This certificate is prepared with a limited purpose/scope as identified/stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

4. VALUATION METHODOLOGY ADOPTED BY THE VALUER

4.1 In arriving at the exchange ratio of the equity shares for the merger of the KRK with RRIL. The Valuer have determined the values independently but on a relative basis. He has considered the methods relevant and applicable, which included:

- i. Net Assets Value (NAV) Method;
- ii. Market Price (MP) Method;
- iii. Profit Earning Capacity Value (PECV) Method.

i. Net Assets Value (NAV) Method:

The asset based valuation technique is based on the value of the underlying net assets of the company on a Book Value basis. This method is also known as the Net Asset Valuation ("NAV") methodology. Considering the nature of business of the company and other facts and based on the discussions with the management, including the fact that the two companies are closely held companies and as informed, owned by the same group and upon the proposed restructuring, none of the stake holders are likely to be adversely affected, the asset based valuation technique seems to be appropriate for valuing the shares of the two companies. In other words, net assets (operating business assets) have been valued using book value as reflected in the Accounts as at 31st December 2019.

ii. Market Price (MP) Method:

Market Value of Shares quoted on Stock Exchanges-The Market Value of a listed stock carries significant weightage in the analysis of the Equity Value of the Company. The Price at which the shares of a listed company are quoted on a recognized Stock Exchange, is an indicator of the value of the Company. This method is effective in various situations as market force collectively determine the price quoted on the stock exchanges. The market value is an outcome of various factors like quality and integrity of the Management, present and prospective competition, yield on comparable securities, market sentiment, etc.

Page 213



MARK CORPORATE ADVISORS PVT. LTD.

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Since the shares of RRIL (Transferee Company) is listed on the Stock Exchange, this method have been considered while on the other hand since KRK (Transferor Company) is unlisted company so Market Value Method is not considered. The Weighted Average Market Price for a period ended twelve (12) months from March 2019 till February 2020 have been considered by the Valuer.

iii. Price Earning Capacity Valuation (PECV) Method:

This method of valuation presumes the continuity of business and uses the past earnings. For the purpose of the Profit Earning Capacity Value of the shares, the commonly accepted approach is to capitalize average earnings of past at an appropriate rate of capitalization, to arrive at a fair value per share. While calculating Average Earning Per Share, the audited financial statements for the year ended March 31, 2017, March 31, 2018 and March 31, 2019 have been taken into consideration and EPS is capitalized by taking Industry Composite PE of 9.20 .

- 4.2 Accordingly, Fair Valuation of shares of the Transferor Company has been determined on the basis of Weightage of the Two Methods i.e., Net Asset Value Method and PECV Method, and the Transferee Company has been determined on the basis of Weightage of the Two Method i.e. Net Asset Value Method and Market Value Method for the purpose of working out of share exchange swap ratio for amalgamation/merger.


5. CONCLUSION

We have reviewed the methodology as mentioned above adopted by the Valuer for arriving at the fair valuation of the equity shares of Companies and also reviewed the working and underlining assumptions adopted to arrive at the values under each of the above approaches, for the purposes of recommending a ratio of entitlement/exchange.

On the basis of the foregoing points, we are of the opinion that the valuation done by Mr. Dinesh Kumar Deora, , Registered Valuer, having IBBI Registration Number IBBI/RV/03/2019/12711 is fair & reasonable for the proposed Share Exchange Ratio of 14 Equity Shares of Rs 5/- each of RRIL Limited for every 1 Equity Share of Rs 10/-each of KRKumar Industries Limited.

Thanking you,

For Mark Corporate Advisors Private Limited,


 Rajendra Kanoongo
 Jt. Managing Director

Place: Mumbai

DCS/AMAL/BA/R37/1769/2020-21

“E-Letter”

August 07, 2020

The Company Secretary,
RRIL Ltd
325, Hariom Plaza,
M.G. Road, Borivali (East),
Mumbai, Maharashtra, 400066

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement of RRIL LIMITED their respective shareholders.

We are in receipt of the Draft Scheme of Arrangement of RRIL LIMITED and their respective shareholders filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated August 07, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **“Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
- **“Company shall duly comply with various provisions of the Circular.”**
- **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

sd/-

Nitinkumar Pujari
Senior Manager



Complaints Report

Part A

| Sr. No. | Particulars | Number |
|---------|----------------------------------------------------|--------|
| 1. | Number of complaints received directly | Nil |
| 2. | Number of complaints forwarded by Stock Exchange | Nil |
| 3. | Total Number of complaints/comments received (1+2) | Nil |
| 4. | Number of complaints resolved | N.A. |
| 5. | Number of complaints pending | N.A. |

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 01. | N.A. | N.A. | N.A. |

For RRIL Limited

Digitally signed by SANJAYKUMAR
RACHESHYAM VISHWAKARMA
DN: cn=SANJAYKUMAR RACHESHYAM
VISHWAKARMA, o=RRIL
VISHWAKARMA, ou=RRIL
serialNumber=2559598866541859823
19879255440017403045413504964
4591358
Date: 2020.06.09 18:01:18 +05'30'

(Sanjay Vishwakarma)
Company Secretary

Date: 09.06.2020



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF RRIL LIMITED AT ITS MEETING HELD ON 5th MARCH, 2020 AT ITS REGISTERED OFFICE AT A-325, HARI OM PLAZA, M.G. ROAD, NEAR OM KARESHWAR TEMPLE, BORIVALI (EAST), MUMBAI- 400066, MAHARASHTRA EXPLAINING EFFECT OF THE SCHEME OF MERGER BY ABSORPTION ("SCHEME") OF KRKUMAR INDUSTRIES LIMITED ("TRANSFEROR COMPANY") BY RRIL LIMITED ("TRANSFeree COMPANY") ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO, IF ANY.

The proposed Scheme of Merger by Absorption ("Scheme") of KRKumar Industries Limited ("KRK" or "Transferor Company") by RRIL Limited ("RRIL" or "Transferee Company" or "Company") and their respective shareholders and creditors was approved by the Board of Directors of the Company vide resolution passed at its Meeting held on 5th March, 2020.

The provisions of Section 232(2)(c) of the Companies Act, 2013, requires the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Key Managerial Personnel ("KMP"), Promoter and Non-Promoter Shareholders, laying out in particular the share exchange ratio, specifying any special valuation difficulties. The said report is required to be circulated to the Shareholders along with the notice convening the Meeting.

Having regard to the aforesaid provision, the following documents were placed before the Board of Directors of the Company:

- i. Draft Scheme of Merger by Absorption.
- ii. Valuation Report dated March 04, 2020 issued by Mr. Dinesh Kumar Deora (Registered Valuer- Securities or Financial Assets).
- iii. Fairness Opinion Report dated March 05, 2020 issued by Mark Corporate Advisors Private Limited; a SEBI registered Merchant Banker providing the Fairness Opinion on the share entitlement recommended in the Valuation Report prepared by Mr. Dinesh Kumar Deora (Registered Valuer- Securities or Financial Assets).
- iv. Draft Certificate obtained from the Statutory Auditors of the Company i.e. Subramaniam Bengali & Associates, Chartered Accountants to the effect that the accounting treatment contained in the Scheme is in compliance with all the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles in India.
- v. Report of the Audit Committee dated 5th March, 2020 recommending the Scheme to the Board for approval.

Rationale for the Scheme

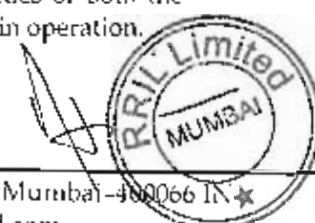
The merger of the Company with KRKumar Industries Limited is based on the following rationale:

- i. KRK and RRIL, belonging to the same group of management, are largely engaged in the similar kind of business activities i.e. dealing in textile products and re-development of housing project, and any other related activities, which will be beneficial to the merged entity for its product portfolio pursuant to the Scheme coming into effect.
- ii. Economies of scale will play a bigger role as the consolidated entity's operational efficiency will



increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.

- iii. As on December 31, 2019 RRIL has a net worth of Rs.27,05,60,061 (Rupees Twenty Seven Crores Five Lacs Sixty Thousand Sixty One only) excluding Goodwill and Deferred Tax Assets and KRK has a net worth of Rs.7,09,25,144 (Rupees Seven Crores Nine Lakhs Twenty Five Thousand One Hundred and Forty Four only). The combined entity will have net worth of around Rs.34,12,33,569/- (Rupees thirty four crore twelve lacs thirty three thousand five hundred sixty nine only) which will enable the merged entity with more negotiation power for debt finance considering its size and financial strength further the merged entity will have option of equity financing.
- iv. This merger will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage stronger asset capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.
- v. The Transferor and Transferee Company are under common control and it would be advantageous to combine the activities and operations in a single Company and to build strong capability to effectively meet future challenges in competitive business environment.
- vi. This merger will result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- vii. The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and minimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of KRK and RRIL. as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.
- viii. The Transferor Company is engaged in the business pertaining to Construction and Textile activities. Whereas, the Transferee Company is engaged in the business of Trading in Textile products in fabrics and Yarn and also venturing into the business activities of real estate / Re-development of Housing property. The proposed amalgamation will enable the integration of the business activities of the Transferor Company with the Transferee Company.
- ix. This merger will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- x. The Merger will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be done separately by the Transferee Company as well as by the Transferor Company.
- xi. The merger of KRK with RRIL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.





RRIL Limited

[Formerly Known as S R K Industries Limited]

Valuation

The Valuation of the Company has been arrived at on basis of working the Weightage of Two Methods i.e. Net Asset Value Method and Market Value Method; and the Valuation of the KRKumar Industries Limited has been arrived at on basis of working the Weightage of Two Methods i.e. Net Asset Value Method and Income Method for the purpose of working out of share exchange swap ratio for Merger.

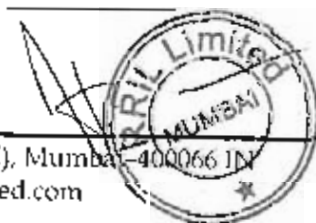
As per the Valuation Report dated 4th March, 2026 provided by Mr. Dinesh Kumar Deora (Registered Valuer- Securities or Financial Assets) has determined the Share Exchange Ratio as 14:1 i.e. 14 (Fourteen) Equity Shares of the Face value of Rs. 5 each of the RRIL will be issued against 1 (One) Equity Share of the Face value of Rs. 10 each held by the shareholders of the KRKumar Industries Limited.

Upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, without any further act or deed on the part of RRIL, RRIL will in aggregate, issue and allot 4,31,20,000 (Four Crores Thirty One Lacs Twenty Thousand Only) Equity Shares of Rs. 5/- each (the "New Shares") to registered fully paid-up equity shareholders of KRK on the Record Date, as decided by the Board in the ratio of; Against 1 (One) Equity Share of the Face value of Rs.10/- each of the KRK, 14 (Fourteen) Equity Shares of the Face value of Rs.5/- each of the RRIL shall be issued to the shareholders of KRK.

Effect of the Scheme on Equity Shareholders (promoter shareholders and non-promoter shareholders), employees and KMPs of the Company:

Disclosure about the effect of the Scheme on the following persons:

| Sr. No. | Category | Effect of the Scheme |
|---------|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Shareholders | <p>Pursuant to this Scheme, as part of the consideration for merger, RRIL will issue and allot 4,31,20,000 (Four Crores Thirty One Lacs Twenty Thousand Only) Equity Shares of Rs. 5/- each (the "New Shares") to registered fully paid-up equity shareholders of KRK on the Record Date, as decided by the Board in the ratio of; Against 1 (One) Equity Share of the Face value of Rs.10/- each of the KRK, 14 (Fourteen) Equity Shares of the Face value of Rs.5/- each of the RRIL shall be issued to the shareholders of KRK.</p> <p>The New Shares issued and allotted by RRIL in terms of this Scheme shall rank <i>pari-passu</i> in all respects with the existing shares of RRIL, including in respect of dividends, if any, that may be declared by RRIL, on or after the Effective Date.</p> |
| 2. | Promoters | The Scheme does not contemplate payment of any additional considerations to the Promoters except to the extent of their shareholding in KRKumar Industries Limited. |
| 3. | Non-Promoter Shareholders | There is no adverse effect of the Scheme on the Non Promoter Shareholders of RRIL. |
| 4. | Key Managerial Personnel (KMP) (other than Directors) | No change in the KMP of the RRIL is expected pursuant to the Scheme. |



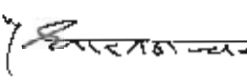


RRIL Limited

[Formerly Known as S R K Industries Limited]

| | | |
|-----|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. | Directors | There is no adverse effect of the Scheme on the Directors of RRIL. |
| 6. | Depositors | RRIL does not have any public deposits and accordingly, it does not have any depositors so the question of scheme having effect on depositor does not arise. |
| 7. | Creditors | The Scheme is expected to be in the best interest of the Company's creditors. |
| 8. | Debenture holders | RRIL has no outstanding debentures and therefore, the effect of the Scheme on debenture holders does not arise. |
| 9. | Deposit trustee & Debenture trustee | RRIL does not have any public deposits and accordingly, it does not have any depositors or deposit trustee and so the question of scheme having effect on depositor or deposit trustee does not arise. Further, there are no debenture holders or debenture trustee in RRIL as no debentures are issued. Thus, the question of scheme having effect on debenture holder or debenture trustee does not arise. |
| 10. | Employees of the Company | Employees in relation to the Transferor Undertaking shall become the employees of the Transferee Company. No rights of employees shall get affected. |

For and on behalf of the Board of Directors,


Ratanchand D Jain
Managing Director
DIN: 01604521



Place: Mumbai
Date: 5th March, 2020



KRKUMAR INDUSTRIES LIMITED

Admin. Off.: 323, 3rd Floor, Hariom Plaza, M. G. Road, Opp. National Park,
Borivali (East), Mumbai - 400066, INDIA. T : 91-22-3318 3388

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KRKUMAR INDUSTRIES LIMITED AT ITS MEETING HELD ON 5TH MARCH, 2020 AT ITS REGISTERED OFFICE AT 101, RAJ BHAVAN, DAULAT NAGAR ROAD NO. 9, BORIVALI (EAST) MUMBAI, MAHARASHTRA- 400066 EXPLAINING EFFECT OF THE SCHEME OF MERGER BY ABSORPTION ("SCHEME") OF KRKUMAR INDUSTRIES LIMITED ("TRANSFEROR COMPANY"/ "THE COMPANY") BY RRIL LIMITED ("TRANSFeree COMPANY") ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO, IF ANY.

The proposed Scheme of Merger by Absorption ("Scheme") of KRKumar Industries Limited ("KRK" or "Transferor Company" or "Company") by RRIL Limited ("RRIL" or "Transferee Company") and their respective shareholders and creditors was approved by the Board of Directors of the Company vide resolution passed at its Meeting held on 5th March, 2020.

The provisions of Section 232(2)(c) of the Companies Act, 2013, requires the Directors to adopt a report explaining the effect of the Scheme on Shareholders, Key Managerial Personnel ("KMP"), Promoter and Non-Promoter Shareholders, laying out in particular the share exchange ratio, specifying any special valuation difficulties. The said report is required to be circulated to the Shareholders along with the notice convening the Meeting.

Having regard to the aforesaid provision, the following documents were placed before the Board of Directors of the Company:

- i. Draft Scheme of Merger by Absorption.
- ii. Valuation Report dated March 04, 2020 issued by Mr. Dinesh Kumar Deora (Registered Valuer- Securities or Financial Assets).
- iii. Fairness Opinion Report dated March 05, 2020 issued by Mark Corporate Advisors Private Limited; a SEBI registered Merchant Banker providing the Fairness Opinion on the share entitlement recommended in the Valuation Report prepared by Mr. Dinesh Kumar Deora (Registered Valuer- Securities or Financial Assets).

Rationale for the Scheme

The merger of the RRIL Limited with the Company is based on the following rationale:

- i. KRK and RRIL, belonging to the same group of management, are largely engaged in the similar kind of business activities i.e. dealing in textile products and re-development of housing project, and any other related activities, which will be beneficial to the merged entity for its product portfolio pursuant to the Scheme coming into effect.
- ii. Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.
- iii. As on December 31, 2019 RRIL has a net worth of Rs.27,05,60,061 (Rupees Twenty Seven Crores Five Lacs Sixty Thousand Sixty One only) excluding Goodwill and Deferred Tax Assets and KRK has a net worth of Rs.7,09,25,144 (Rupees Seven Crores Nine Lakhs Twenty Five Thousand One Hundred and Forty Four only). The combined entity will have net worth of around





KRKUMAR INDUSTRIES LIMITED

Admin. Off.: 323, 3rd Floor, Hariom Plaza, M. G. Road, Opp. National Park,
Borivali (East), Mumbai - 400066. INDIA. T : 91-22-3318 3388

Rs.34,12,33,569/- (Rupees thirty four crore twelve lacs thirty three thousand five hundred sixty nine only) which will enable the merged entity with more negotiation power for debt finance considering its size and financial strength further the merged entity will have option of equity financing.

- iv. This merger will provide an opportunity to leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage stronger asset capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.
- v. The Transferor and Transferee Company are under common control and it would be advantageous to combine the activities and operations in a single Company and to build strong capability to effectively meet future challenges in competitive business environment.
- vi. This merger will result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- vii. The merger will result to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and minimization of the administrative and operative costs, in a value creation for the shareholders and stakeholders of KRK and RRIL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.
- viii. The Transferor Company is engaged in the business pertaining to Construction and Textile activities. Whereas, the Transferee Company is engaged in the business of Trading in Textile products in fabrics and Yarn and also venturing into the business activities of real estate / Re-development of Housing property. The proposed amalgamation will enable the integration of the business activities of the Transferor Company with the Transferee Company.
- ix. This merger will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- x. The Merger will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be done separately by the Transferee Company as well as by the Transferor Company.
- xi. The merger of KRK with RRIL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.

Valuation

The Valuation of RRIL has been arrived at on basis of working the Weightage of Two Methods i.e. Net Asset Value Method and Market Value Method; and the Valuation of the Company has been arrived at on basis of working the Weightage of Two Methods i.e. Net Asset Value Method and Income Method for the purpose of working out of share exchange swap ratio for Merger.

As per the Valuation Report dated 4th March, 2020 provided by Mr. Dinesh Kumar Deora (Registered





KRKUMAR INDUSTRIES LIMITED.

Admin. Off.: 323, 3rd Floor, Hariom Plaza, M. G. Road, Opp. National Park,
Borivali (East), Mumbai - 400066. INDIA. T : 91-22-3318 3388

Valuer- Securities or Financial Assets) has determined the Share Exchange Ratio as 14:1 i.e. 14 (Fourteen) Equity Shares of the Face value of Rs. 5 each of the RRIL will be issued against 1 (One) Equity Share of the Face value of Rs. 10 each held by the shareholders of the KRKumar Industries Limited.

Upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, without any further act or deed on the part of RRIL, RRIL will, in aggregate, issue and allot 4,31,20,000 (Four Crores Thirty One Lacs Twenty Thousand Only) Equity Shares of Rs. 5/- each (the "New Shares") to registered fully paid-up equity shareholders of KRK on the Record Date, as decided by the Board in the ratio of: Against 1 (One) Equity Share of the Face value of Rs.10/- each of the KRK, 14 (Fourteen) Equity Shares of the Face value of Rs.5/- each of the RRIL shall be issued to the shareholders of KRK.

Effect of the Scheme on Equity Shareholders (promoter shareholders and non-promoter shareholders), employees and KMP's of the Company:

Disclosure about the effect of the Scheme on the following persons:

| Sr. No. | Category | Effect of the Scheme |
|---------|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Shareholders | <p>Pursuant to this Scheme, as part of the consideration for merger, RRIL will issue and allot 4,31,20,000 (Four Crores Thirty One Lacs Twenty Thousand Only) Equity Shares of Rs. 5/- each (the "New Shares") to registered fully paid-up equity shareholders of KRK on the Record Date, as decided by the Board in the ratio of: Against 1 (One) Equity Share of the Face value of Rs.10/- each of the KRK, 14 (Fourteen) Equity Shares of the Face value of Rs.5/- each of the RRIL shall be issued to the shareholders of KRK.</p> <p>The New Shares issued and allotted by RRIL in terms of this Scheme shall rank <i>pari-passu</i> in all respects with the existing shares of RRIL, including in respect of dividends, if any, that may be declared by RRIL, on or after the Effective Date.</p> |
| 2. | Promoters | The Scheme does not contemplate payment of any additional considerations to the Promoters except to the extent of their shareholding in KRKumar Industries Limited. |
| 3. | Non-Promoter Shareholders | There is no Non-Promoter shareholder in the Company so the question of scheme having effect on Non-Promoter shareholder does not arise. |
| 4. | Key Managerial Personnel (KMP) (other than Directors) | KMP are the employees of the KRK and as per the Scheme, all the employees of the KRK shall become employees of the Transferee Company with effect from Effective Date of the Scheme. |
| 5. | Directors | There is no adverse effect of the Scheme on the Directors of KRK. |
| 6. | Depositors | KRK does not have any public deposits and accordingly, it does not have any depositors so the question of scheme having effect on depositor does not |





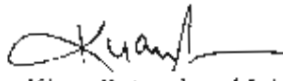
KRKUMAR INDUSTRIES LIMITED

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Admin. Off.: 323, 3rd Floor, Hariom Plaza, M. G. Road, Opp. National Park, Borivali (East), Mumbai - 400066, INDIA T : 91-22-3318 3388

| | | |
|-----|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. | Creditors | arise. Upon the Scheme coming into effect, the creditor obligations with respect to the Company shall become the obligations of RKIL. The Scheme is expected to be in the best interest of the Company's creditors. |
| 8. | Debenture holders | KRK has no outstanding debentures and therefore, the effect of the Scheme on debenture holders does not arise. |
| 9. | Deposit trustee & Debenture trustee | KRK does not have any public deposits and accordingly, it does not have any depositors or deposit trustee and so the question of scheme having effect on depositor or deposit trustee does not arise. Further, there are no debenture holders or debenture trustee in KRK as no debentures are issued. Thus, the question of scheme having effect on debenture holder or debenture trustee does not arise. |
| 10. | Employees of the Company | Employees in relation to the Transferor Undertaking shall become the employees of the Transferee Company. No rights of employees shall get affected. |

For and on behalf of the Board of Directors,


Kiran Ratanchand Jain
Director
DIN: 00684349



Place: Mumbai
Date: 5th March, 2020



MARK
CORPORATE ADVISORS
DUE DILIGENCE CERTIFICATE

December 17, 2020

To,
Board of Directors
KRKumar Industries Limited
101, Raj Bhavan,
Daulat Nagar, Road No. 9,
Borivali (East)
Mumbai-400 036

Dear Sir(s)/Madam,

- Sub :** Certificate on adequacy and accuracy of disclosures made in Abridged Prospectus of KRKumar Industries Limited
- Ref :** Merger by Absorption of KRKumar Industries Limited (hereinafter referred to as "the Transferor Company" or "KRKumar") by RRIL Limited (hereinafter referred to as "the Transferee Company" or "RRIL") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

We, Mark Corporate Advisors Private Limited, refer to our engagement letter dated February 27, 2020 for the purpose of certifying the adequacy and accuracy of disclosure of information pertaining to merger by absorption of "KRKumar" with "RRIL" with their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

Regulatory Requirement

SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 30, 2017 and amendment thereof ("SEBI Circular") prescribed requirements to be fulfilled by the listed entities when they propose a Scheme of Arrangement. The SEBI Circular, amongst other things, provide that in the event a listed entity enters into a Scheme of Arrangements with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for Abridged Prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendment thereof ["SEBI (ICDR) Regulations, 2018"] (erstwhile Part D of schedule VIII of SEBI (ICDR) Regulations, 2009).

We, the Merchant Banker to the above mentioned offer, state and confirm that:

- We have examined various documents and other materials in connection with finalization of disclosure of information pertaining to KRKumar ("Abridged Prospectus") which will be circulated to the members at the time of seeking their consent to the proposed Scheme of merger by Absorption of KRKumar by RRIL as a part of explanatory statement to the notice.
- On the basis of such examination and the discussions with the management of KRKumar, its directors, others officers, other agencies and on independent verification of contents of Abridged Prospectus and other paper furnished to us; we state that:
 - ⇒ The information contained in the Abridged Prospectus dated December 17, 2020 is in conformity with the relevant documents, materials and other papers related to KRKumar.



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MARK CORPORATE ADVISORS PVT. LTD.

CIN No : U67190MH2008PTC181996

GSTIN/UIN : 27AAF0MS379J12Y

404/1, The Summit Business Bay, Sant Janabai Road, (Service Lane), Off. W. E. Highway, Vile Parle (E), Mumbai - 400 057
Tele : +91 22 2612 3207 Fax : +91 22 2612 3208 Web : www.markscorporateadvisors.com E-mail : info@markscorporateadvisors.com



- The Abridged Prospectus contains applicable information pertaining to as required in terms of SEBI Circulars which, in our view are fair, adequate and accurate to enable the members to make a well informed decision on the proposed Scheme of merger by absorption of KRKumar by RRIL.

Disclaimer and Limitation:

- This certificate is a specific purpose certificate issued in terms of and in compliance with SEBI circular and hence it should not be used for any other purpose or transaction.
- This certificate is issued on the basis of examination of information and documents provided by KRKumar and information which is available in the public domain and wherever required, the appropriate representation from KRKumar has also been obtained.
- We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.
- Our opinions is not nor should it be constructed as our opining or certifying the compliance of the proposed Scheme of merger with the provision of any law including companies, taxation, capital market, related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

For Mark Corporate Advisors Private Limited


 Rajendra Kanoongo
 Jt. Managing Director

Place : Mumbai

MARK CORPORATE ADVISORS PVT. LTD.

CIN No : U67190MH2008PTC181996

GSTIN/UIN : 27AAF0M5379J1ZY

404/1, The Summit Business Bay, Sant Janabai Road, (Service Lane), Off. W. E. Highway, Vile Parle (E), Mumbai - 400 057
 Tele : +91 22 2612 3207 Fax : +91 22 2612 3208 Web : www.markcorporateadvisors.com E-mail : info@markcorporateadvisors.com

ABRIDGED PROSPECTUS

This Abridged Prospectus discloses applicable information of the unlisted entity i.e. KRKumar Industries Limited in compliance with Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018 (erstwhile Part D of schedule VIII of SEBI (ICDR) Regulations, 2009) and SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular") including amendments thereof.

THIS ABRIDGED PROSPECTUS CONTAINS 5 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

KRKUMAR INDUSTRIES LIMITED

CIN: U45203MH1987PLC042969

Registered Office: 101, Raj Bhavan, Daulat Nagar, Road No. 9, Borivali (East), Mumbai, Maharashtra-400066, Tel No.: + 022-28919292

Email id: krkumarltd@gmail.com Contact Person: Mr. Kiran R Jain

This Document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular and sets out the disclosures in the abridged prospectus format as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable. RRIL Limited (hereinafter referred to as the "Issuing Company" or "the Transferee Company" or "RRIL") is already listed on BSE Limited. Pursuant to the Scheme of Merger by Absorption of KRK by RRIL ("Scheme"), there is no issue of Equity Shares to the public, except to the existing shareholders of KRKumar Industries Limited (hereinafter referred to as "the Transferor Company" or "KRK") which is an unlisted company. Pursuant to the Scheme, RRIL shall issue 4,31,20,000 new Equity Shares of Rs. 5/- each to the existing shareholders of KRK. Further, 3,59,090 (0.46%) Equity Shares held by KRK in RRIL shall be cancelled pursuant to the Scheme. The new Equity Shares so issued by RRIL will be listed on BSE Limited. The requirements with respect to General Information Document are not applicable and this abridged prospectus should be read accordingly.

You may download this Abridged Prospectus, alongwith the Scheme and the Valuation Report dated March 04, 2020 issued by Dinesh Kumar Deora, Registered Valuer Securities or Financial Assets, Addendum to Valuation Report with respect to not using specific methods of valuation as a footnote dated 8th May, 2020 and Fairness Opinion Report dated March 05, 2020 issued by Mark Corporate Advisors Private Limited, Merchant Banker, from the website of RRIL, i.e. www.rrillimited.com and the website of BSE i.e. www.bseindia.com.

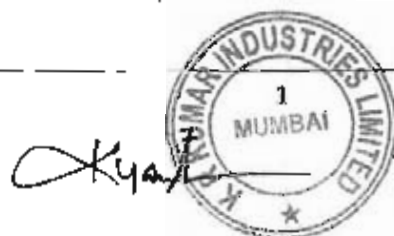
PROMOTERS OF TRANSFEROR COMPANY

MR. KIRAN RATANCHAND JAIN, MS. PRIYA GANPATH JAIN, MR. RATANCHAND D JAIN, MR. GANPATH RATANCHAND JAIN, MS. REKHA HARISH JAIN, MR. HARISH RATANCHAND JAIN AND MS. SURAJDEVI RATANCHAND JAIN

SCHEME AND LISTING DETAILS

This is the Scheme of Merger by Absorption of KRKumar Industries Limited by RRIL Limited and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

Pursuant to the Scheme of Merger, RRIL shall issue 4,31,20,000 new Equity Shares of Rs. 5/- each to the existing shareholders of KRK. Further, the total number of new shares to be issued and allotted by RRIL to the Equity Shareholders of KRK may vary from the total number of shares on account of fractional entitlement as disclosed under clause 8.9 and 8.10 of the Scheme of Arrangement. The New Equity Shares issued by RRIL are proposed to be listed on BSE Limited. Upon the Scheme coming into effect, KRK shall be dissolved without winding up.



ABRIDGED PROSPECTUS

The details with respect to the meeting of the shareholders through Video Conferencing (VC)/Other Audio Visual Means (OAVM) (including Postal Ballot (only through remote e-Voting)) of the Issuing Company as convened in accordance with sections 230 to 232 of the Companies Act, 2013 and e-Voting required as per the SEBI Circular and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 where the Scheme would be placed before the shareholders, will be published in the newspapers as may be directed by the Hon'ble National Company Law Tribunal ("NCLT"), Bench at Mumbai.

Details about the basis for the swap of Equity Shares in accordance with the Scheme and the Valuation Report and Fairness Opinion are available on the website of the RRIL and BSE Limited.

NAME OF THE STATUTORY AUDITOR

M/s S.D. Mota & Associates, Chartered Accountants, Mumbai (FRN: 119681W)

DETAILS OF PROMOTERS OF TRANSFEROR COMPANY

1. **Mr. Kiran Ratanchand Jain** aged 40 years, having PAN ADCPJ7676A is a B. Tech graduate in Textile from Sasmira, Mumbai. He has 16 years of experience in Textile Industry. He looks after production & domestic market of the Company. During this period, he has gained good knowledge in all the areas of Textile Industry. Currently, he is looking after all the operational, financial, strategic planning & business development functions of the Company.
2. **Ms. Priya Ganpath Jain** aged 43 years having, PAN ACTPJ5840J is a Director of the Company since 2016. She has around 14 years of experience in Textile Industry. She is a resourceful and having good knowledge and Experience in the field of Textile.

Other than above, the following persons/ entities belong to Promoter Group of the Company:

Mr. Ratanchand D. Jain, Mr. Ganpath Ratanchand Jain, Ms. Rekha Harish Jain, Mr. Harish Ratanchand Jain and Mrs. Suraj Devi Ratan Chand Jain.

BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

KRK was originally incorporated under the name of "Alimeco Food Industries Private Limited" under the provisions of the Companies Act, 1956 on March 25, 1987 issued by the Registrar of Companies, Maharashtra and further Alimeco Food Industries Private Limited changed its name to Alimeco Industries Private Limited vide Certificate of Incorporation dated March 28, 2003. The name of the Company was further changed to Mecron Infra Private Limited vide Certificate of Incorporation dated July 02, 2011. Mecron Infra Private Limited further changed its name to KRKumar Industries Private Limited vide Certificate of Incorporation dated January 30, 2014. The company was subsequently converted into a public limited company and consequent upon the said change of status, the name of the company was changed from KRKumar Industries Private Limited to its present name i.e. KRKumar Industries Limited vide fresh Certificate of Incorporation dated December 10, 2014 issued by the Registrar of Companies, Maharashtra. The Corporate Identification Number of the Company is U45203MH1987PLC042969.

KRK is inter-alia engaged in the activities pertaining to Construction and Textile activities.

BOARD OF THE DIRECTORS

| Sr. No. | Name | Designation (Independent/ Whole Time/ Executive/ Nominee) | Address | Experience | Directorship held in other companies |
|---------|-----------|-----------------------------------------------------------|----------|---------------------------|--------------------------------------|
| 1. | Mr. Kiran | Director | 501, Raj | Mr. Kiran Ratanchand Jain | 1. Raj Rajendra |



ABRIDGED PROSPECTUS

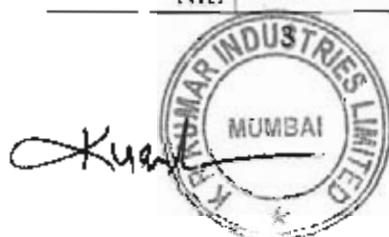
| | | | | | |
|----|-------------------------|----------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| | Raianchand Jain | | Bhavan, Daulat Nagar Road No 9, Borivali East, Mumbai-400066 | aged 40 years, having PAN ADCPJ7676A is a B. Tech graduate in Textile from Sasmira, Mumbai. He has 16 years of experience in Textile Industry. He looks after production & domestic market of the Company. During this period, he has gained good knowledge in all the areas of Textile Industry. Currently, he is looking after all the operational, financial, strategic planning & business development functions of the Company. | Industries Limited 2. Sumati Spintex Private Limited 3. Lalwani Hotels Private Limited |
| 2. | Mrs. Priya Ganpath Jain | Director | 701, New Kamal Kunj, Road No.9 and 4, Daulat Nagar, Opp Hinduja Hall, Borivali (East), Mumbai-400066. | Ms. Priya Ganpath Jain aged 43 years having, PAN ACTPJ5840J is a Director of the Company since 2016. She has around 14 years of experience in Textile Industry. She is a resourceful and having good knowledge and Experience in the field of Textile. | NIL. |
| 3. | Mr. Hiren Dhanji Chheda | Director | Flat No.-13, B-Wing, 825 Khosarvi State, 2 nd Floor, S.K. Bolc Road, Agar Bazar, Dadar (West), Mumbai-400028. | He has around 20 years of experience in Textile Industry. During this period, he has gained good knowledge in all the areas of designing of textile. | NIL. |

OBJECTS OF THE ISSUE

NOT APPLICABLE

SHAREHOLDING PATTERN

| Sr. No. | Particulars | Pre- Merger | | Post- Merger | |
|---------|--------------------------------|-----------------|------|-----------------|------|
| | | No. Shares held | % | No. Shares held | % |
| 1. | Promoter/ Promoter Group | 30,80,000 | 100% | | N.A. |
| 2. | Public | | NIL | | N.A. |



ABRIDGED PROSPECTUS

| | | | | |
|-------|-----------|------|------|---|
| Total | 30,80,000 | 100% | N.A. | - |
|-------|-----------|------|------|---|

RESTATED AUDITED FINANCIALS

| Particulars | Latest Stub Period 30.09.2020 | For F.Y. ended 31.03.2020 | For F.Y. ended 31.03.2019 | (Amt. in Rupees) |
|-------------------------------------------------------|----------------------------------|------------------------------|------------------------------|------------------------------|
| | | | | For F.Y. ended 31.03.2018 |
| Total Income from Operations (Net) | - | - | - | - |
| Net Profit/ (Loss) Before Tax and Extraordinary Items | (3,02,563) | 6,55,196 | 24,60,149 | 3,19,62,685 |
| Net Profit/ (Loss) After Tax and Extraordinary Items | (3,01,567) | (1,50,159) | 16,96,390 | 2,49,62,685 |
| Equity Share Capital | 3,08,00,000 | 3,08,00,000 | 3,08,00,000 | 3,08,00,000 |
| Reserves & Surplus | 3,96,40,115 | 3,99,41,681 | 4,00,91,840 | 3,83,95,450 |
| Net Worth | 7,04,40,115 | 7,07,41,681 | 7,08,91,840 | 6,91,95,450 |
| Basic earnings per share (Rs.) | (0.10) | (0.05) | 0.55 | 8.10 |
| Diluted earnings per share (Rs.) | (0.10) | (0.05) | 0.55 | 8.10 |
| Return on Net Worth (%) | (0.43) | (0.21) | 2.39 | 36.08 |
| Net Assets Value per share (Rs.) | 22.87 | 22.97 | 23.02 | 22.47 |

Note: The above financials are audited by SSRV & Associates, Chartered Accountants, Peer Review Certified Auditor, Peer Review No 010246.

INTERNAL RISK FACTORS

1. Fluctuating prices of raw material is a big concern for the industry which may strain the profitability margins of the Company.
2. Availability of skilled manpower is a concern. Our business is labour oriented business, our operations could be adversely affected by work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.
3. Our business requires high working capital. In case there are insufficient cash flows to meet our requirement, there may be an adverse impact on the results of our operations.
4. We may be seriously affected by delays in the collection receivables from our clients and may not be able to recover adequately our claims.
5. Implementation of the Scheme completely depends on the approval of regulatory authorities. Any modification or revision in the scheme by competent authorities may delay the completion of the process.
6. Pursuant to the scheme, all assets and liabilities of our Company being transferred to RRIL. There may be potential risks regarding business, financial, tax and regulatory matters of our Company which may have an adverse impact on RRIL.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION



ABRIDGED PROSPECTUS

- A. Total number of outstanding litigations against the Company and amount involved: **NIL**
- B. Brief details of top 5 material outstanding litigations against the company and amount involved: **NIL**
- C. Regulatory Action, if any- disciplinary action taken by SEBI or Stock Exchanges against the Promoters in last 5 financial years including action, if any.- **NIL**
- D. Brief details of outstanding criminal proceedings against Promoters - **NIL**

ANY OTHER IMPORTANT INFORMATION AS PER THE TRANSFEREE COMPANY

NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under Section 3 of Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of Companies Act, 2013, Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

FOR KRKUMAR INDUSTRIES LIMITED




Kiran Ratanchand Jain

Director

DIN: 00684349

Place: Mumbai

Date: 17.12.2020

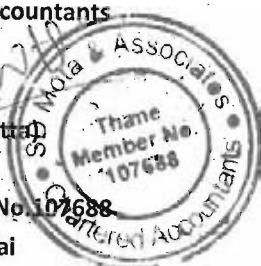
KRKUMAR INDUSTRIES LIMITED
CIN: U45203MH1987PLC042969
BALANCE SHEET AS AT 31ST MARCH 2020

(Amount in Rs)

| Particulars | Note No. | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------------------|----------|------------------------|------------------------|
| 1 EQUITY AND LIABILITIES | | | |
| I Shareholders' funds | | | |
| Share Capital | 2 | 30,800,000 | 30,800,000 |
| Reserves and Surplus | 3 | 39,941,681 | 40,091,840 |
| II Non-current liabilities | | | |
| Long-term borrowings | | - | - |
| Deferred tax liabilities/(Assets) (Net) | | 1,141 | 1,088 |
| III Current liabilities | | | |
| Short-term Borrowings | 4 | 7,200,000 | - |
| Other current liabilities | 5 | 55,000 | 7,881,300 |
| Trade payables | 6 | - | - |
| Short term provisions | 7 | 200,000 | 675,000 |
| | | 78,197,823 | 79,449,228 |
| 2 ASSETS | | | |
| I Non-current assets | | | |
| Fixed Assets | 8 | 33,910 | 53,385 |
| Non current investments | 9 | 36,237,730 | 36,508,466 |
| Deferred tax assets (net) | | - | - |
| Long term loans & advances | 10 | 16,337,024 | 16,144,024 |
| Other Non current Assets | 11 | - | - |
| II Current assets | | | |
| Inventories | 12 | - | - |
| Cash and cash equivalents | 13 | 245,069 | 271,325 |
| Short Term Loans and Advance | 14 | 24,932,320 | 25,821,165 |
| Other Current assets | 15 | 411,770 | 650,864 |
| | | 78,197,823 | 79,449,228 |

For S. D. Mota & Associates
Chartered Accountants

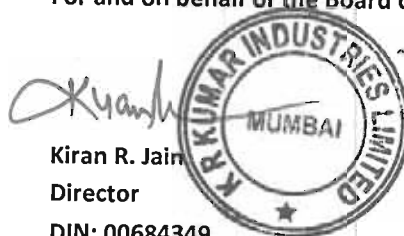
(Sanjay D. Mota)
Proprietor
Membership No. 107688
Place : Mumbai
Date : 13/08/2020



For and on behalf of the Board of Directors

Kiran R. Jain
Director
DIN: 00684349

Priya Jain
Director
DIN: 02348459



CIN: U45203MH1987PLC042969

Profit and Loss statement for the period ended 31ST MARCH 2020

(Amount in Rs.)

| Particulars | Note No. | For the Year Ended | |
|----------------------------------------------------------------|----------|--------------------|------------------|
| | | 31 March 2020 | 31 March 2019 |
| I. Revenue from operations | 16 | - | - |
| II. Other income | 17 | 1,271,542 | 2,666,025 |
| III. Total Revenue (I + II) | | 1,271,542 | 2,666,025 |
| IV. Expenses: | | | |
| Purchases of Stock-in-Trade | 18 | - | - |
| Changes in inventories of stock in trade | 19 | - | - |
| Employee Cost | 20 | - | - |
| Finance costs | | - | - |
| Depreciation | | 19,475 | 8,115 |
| Other expenses | 21 | 596,871 | 197,761 |
| Total expenses | | 616,346 | 205,876 |
| V. Profit before Tax & Extraordinary Item (III- IV) | | 655,196 | 2,460,149 |
| VI Extraordinary items | | (613,830) | - |
| VII Profit /(Loss) before tax (V-VI) | | 41,366 | 2,460,149 |
| VIII Tax expense: | | | |
| ~Current Tax | | 200,000 | 675,000 |
| ~Previous Year | | (8,529) | 87,671 |
| ~Deferred Tax | | 53 | 1,088 |
| | | 191,524 | 763,759 |
| IX Profit / (Loss) after Tax (VII-VIII) | | (150,159) | 1,696,390 |
| X Earnings per equity share: | 22 | | |
| (1) Basic | | -0.05 | 0.55 |
| (2) Diluted | | -0.05 | 0.55 |

For S. D. Mota & Associates
Chartered Accountants

(Sanjay D. Motta)

Proprietor

Membership No.107688

Place : Mumbai

Date : 13/08/2020



For and on behalf of the Board of Directors

Kiran R. Jain

Director

DIN: 00684349



Priya Jain


Director

DIN: 02348459

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in Rs.)

| | As at 31st March 2020 | As at 31st March 2019 |
|---------------------------------------------------------------|-----------------------|-----------------------|
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax and Extraordinary Items | 41,366 | 2,460,149 |
| Adjusted for | | |
| Depreciation | 19,475 | 8,115 |
| (Profit)/Loss on sale of Investments | 100,934 | 809 |
| Other Income | - | - |
| Interest Income | (456,418) | (1,474,804) |
| Interest Expenses | 384,329 | - |
| Operating Profit before Working Capital changes | 89,686 | 994,269 |
| Adjutments for changes in working capital | | |
| (Increase)/Decrease in Trade and Other Receivables | - | - |
| (Increase)/Decrease in Inventories | - | - |
| (Increase)/Decrease in Loans & Advances and Other C.A. | 1,127,939 | 2,046,649 |
| (Increase)/Decrease in Long term Loans & Advances | (193,000) | (41,092) |
| Increase/(Decrease) in Trade Payables | - | - |
| Increase/(Decrease) in other Current liabilities & Provisions | (8,301,300) | 1,427,825 |
| Cash generated from operations | (7,276,675) | 4,427,651 |
| Direct Taxes Paid | 191,471 | 762,671 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | (7,468,146) | 3,664,980 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale of fixed assets | - | - |
| (Purchase) of Fixed Assets (Net) & Capital WIP | - | (61,500) |
| (Purchase)/Sales of Investments (Net) | 270,736 | (4,722,177) |
| Profit/(Loss) on sale of Investments | (100,934) | (809) |
| Interest / Other income | 456,418 | 1,474,804 |
| NET CASH USED IN INVESTING ACTIVITIES | 626,219 | (3,309,682) |
| (C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | - | - |
| Repayment of Long Term Borrowings | - | - |
| Proceeds from Short Term Borrowings | 7,200,000 | (267,077) |
| Interest paid | (384,329) | - |
| NET CASH FROM FINANCING ACTIVITIES | 6,815,671 | (267,077) |
| NET INCREASE IN CASH AND CASH EQUIVALANTS (A+B+C) | (26,256) | 88,221 |
| OPENING BALANCE OF CASH AND CASH EQUIVALANTS | 271,325 | 183,105 |
| CLOSING BALANCE OF CASH AND CASH EQUIVALANTS | 245,069 | 271,325 |



 Kiran R. Jain Priya G. Jain
 Director Director
 DIN: 00684349 DIN: 02348459

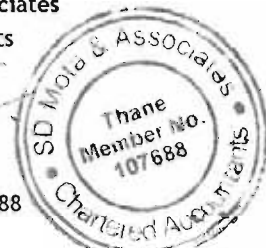
AUDITOR'S REPORT ON CASH FLOW STATEMENT

We have examined the above Cash Flow Statement of M/s. KRKUMAR INDUSTRIES LIMITED, derived from audited financial statements and the books and records maintained by the company for the period ended 31st March 2020 and found the same in agreement therewith.

As per our attached report of even date

FOR S D Mota & Associates
Chartered Accountants

(Sanjay B Motta)
Proprietor
Membership No. 107688



Place: Mumbai
Date : 13/08/2020

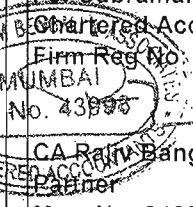

RRIL LIMITED (Formerly knownn as S R K INDUSTRIES LIMITED)

BALANCE SHEET AS AT 31.03.2020

| | PARTICULARS | Note No. | As At 31.03.2020 | As At 31.03.2019 |
|----------------------------------------------------------------------------------|-----------------------------------------------------|----------|--------------------------------|---------------------|
| A | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, Plant and Equipment | 1 | 49,54,228 | 3,27,933 |
| | (b) Capital work-in-progress | | 15,00,000 | 15,00,000 |
| | (c) Goodwill | | 10,67,50,000 | 12,81,00,000 |
| | (d) Financial Assets | | | |
| | (i) Investments | 2 | 7,89,91,936 | 1,57,75,336 |
| | (e) Deferred tax assets (net) | | 1,26,18,645 | 2,21,31,667 |
| | (f) Other non-current assets | 3 | - | 6,25,00,000 |
| | Total - Non-current assets | | 20,48,14,809 | 23,03,34,936 |
| 2. | Current assets | | | |
| | (a) Inventories | | - | - |
| | (b) Financial Assets: | | | |
| | (i) Investments | 4 | - | 62,92,478 |
| | (ii) Trade receivables | 5 | - | 3,23,33,280 |
| | (iii) Cash and cash equivalents | 6 | 87 | 8,696 |
| | (iv) Bank balances other than(iii) above | 7 | 3,94,513 | 29,89,790 |
| | (v) Loans & Advances | 8 | 22,61,08,504 | 16,71,94,023 |
| | (c) Current Tax Assets (Net) | 9 | 2,24,815 | 36,62,037 |
| | (d) Other current assets | 10 | 11,19,487 | 10,35,543 |
| | Total - Current assets | | 22,78,47,406 | 21,35,15,847 |
| | TOTAL ASSETS (1 + 2) | | 43,26,62,215 | 44,38,50,783 |
| B | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| | (a) Equity Share capital | 11 | 39,22,66,900 | 39,22,66,900 |
| | (b) Other Equity | 12 | 3,47,63,346 | 2,45,54,488 |
| | Total - Equity | | 42,70,30,246 | 41,68,21,388 |
| 2 | LIABILITIES | | | |
| I. | Non-current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 13 | 30,50,670 | - |
| | (ii) Trade payables | | - | - |
| | (iii) Other financial liabilities (other than those | | - | - |
| | (b) Provisions | | - | - |
| | (c) Deferred tax liabilities (Net) | | - | - |
| | (d) Other non-current liabilities | | - | - |
| | Total - Non-current liabilities | | 30,50,670 | - |
| II. | Current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 14 | 8,78,853 | - |
| | (ii) Trade payables | 15 | 9,08,058 | 2,67,89,777 |
| | (b) Other current liabilities | 16 | 7,94,388 | 2,39,618 |
| | Total Liabilities | | 25,81,299 | 2,70,29,395 |
| | TOTAL EQUITY AND LIABILITIES (1 + 2) | | 43,26,62,215 | 44,38,50,783 |
| | Significant Accounting Policies and | 23 | | |
| | Notes on Accounts | 24 | | |
| The Notes referred to above form and integral part of Statement of Balance Sheet | | | | |
| As per our report of even date | | | | |
| S. Subramaniam Bengali & Associates | | | For and on behalf of the Board | |
| Chartered Accountants | | | | |
| Mumbai Reg No: 127499W | | | | |
| M. No. 43998 | | | | |
| S. Subramaniam Bengali | | | Ratanchand D Jain | |
| Partner | | | Managing Director | |
| Mem No: 043998 | | | DIN: 01604521 | |
| | | | Harsh Mehta | |
| | | | Whole time director & CFO | |
| | | | DIN: 08315401 | |
| | | | Sanjay R vishwakarma | |
| | | | Company Secretary | |
| Mumbai, 14.07.2020 | | | Mumbai, 14.07.2020 | |

RRIL LIMITED (Formerly knownn as S R K INDUSTRIES LIMITED)

Statement of Profit and Loss for the year ended 31.03.2020

| PARTICULARS | Note No. | Year 31.03.2020 | Year 31.03.2019 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| CONTINUING OPERATIONS | | | |
| Revenue from operations | 17 | 99,78,22,509 | 1,15,08,60,446 |
| Other Income | 18 | 4,00,59,161 | 30,20,573 |
| Total | | 1,03,78,81,670 | 1,15,38,81,019 |
| Expenses | | | |
| (a) Purchases of Traded goods | 19 | 98,16,42,591 | 1,12,44,57,266 |
| (b) Employee benefits expenses | 20 | 26,18,475 | 15,71,301 |
| (c) Other Expenses | 21 | 1,23,16,264 | 1,79,60,458 |
| Total | | 99,65,77,330 | 1,14,39,89,025 |
| Profit before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) | | 4,13,04,340 | 98,91,994 |
| Finance Cost | | 27,833 | 19,775 |
| Depreciation and amortization expense | 22 | 2,15,54,164 | 2,14,95,619 |
| Profit / (Loss) before exceptional and extraordinary items and tax | | 1,97,22,343 | (1,16,23,400) |
| Exceptional items | | 463 | - |
| Profit/ (Loss) before extraordinary items and tax | | 1,97,21,880 | (1,16,23,400) |
| Extraordinary items | | - | - |
| Profit / (Loss) before tax | | 1,97,21,880 | (1,16,23,400) |
| Tax expenses: | | | |
| Current Tax | | - | - |
| Prior years' Income Tax | | - | 1,22,059 |
| Deferred Tax | | (95,13,022) | 81,21,812 |
| Profit/ (Loss) from continuing operations | | 1,02,08,858 | (36,23,647) |
| OTHER COMPREHENSIVE INCOME: | | | |
| i) Items that will not be reclassified to Statement of profit and loss | | - | - |
| ii) Items that will be reclassified to Statement of profit and loss | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 1,02,08,858 | (36,23,647) |
| Earnings per share of Rs 5/- each | | | |
| Basic | | 0.13 | (0.05) |
| Diluted | | 0.13 | (0.05) |
| Nominal Value of Share | | 5 | 5 |
| Significant Accounting Policies and Notes on Accounts | 23 24 | | |
| The Notes referred to above form and integral part of Statement of Profit and Loss account As per our report of even date For Subramaniam Bengali & Associates For and on behalf of the Board | | | |
| Chartered Accountants Firm Reg No: 127499W MUMBAI M. No. 43998 CA Ravi Bengali Partner Mem No: 043998 | | Ratanchand D Jain Managing Director DIN : 01604521 | |
|  | |  | |
| Mumbai, 14.07.2020 | | Harsh Menta Whole time director & CFO DIN : 08315401 Sanjay R vishwakarma Company Secretary Mumbai, 14.07.2020 | |

RRIL Limited (Formerly knownn as S R K Industries limited)

Cash Flow Statement for the Year Ended 31st March, 2020

| PARTICULARS | (Amount in Rs.) | |
|---------------------------------------------------------|--------------------|----------------------|
| | 31.03.2020 | 31.03.2019 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | 1,97,21,880 | (1,16,23,400) |
| Adjustments for | | |
| Depreciation | 2,15,54,164 | 2,14,95,619 |
| Miscellaneous Expenditure | - | - |
| Considered Separately | | |
| Interest Income | (23,82,268) | (19,57,247) |
| Finance Cost | 27,833 | 19,775 |
| Operating Profit Before Working Capital Changes: | 3,89,21,609 | 79,34,747 |
| Trade and other receivable | 3,23,33,280 | 10,71,150 |
| Non-current liabilities | 30,50,670 | - |
| Trade Payables and other liabilities | (2,53,26,949) | (31,14,647) |
| Current investment | 62,92,478 | (62,92,478) |
| Loans & advances | (5,89,14,481) | 1,48,72,798 |
| Cash generated from operations | (36,43,393) | 1,44,71,570 |
| Direct Taxes paid | - | (1,22,059) |
| Net Cash Flow From Operating Activites (A) | (36,43,393) | 1,43,49,511 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Increase in Other Non Current Assets | 6,58,53,278 | (1,33,33,238) |
| Purchase of fixed assets | (48,30,459) | (7,670) |
| Purchase of long-term investments | (6,32,16,600) | - |
| Interest Income | 23,82,268 | 19,57,247 |
| Net Cash Flow From Investing Activites (B) | 1,88,487 | (1,13,83,661) |
| CASH FLOW FROM FINANVING ACTIVITIES | | |
| Long Term & Short Term Funds Borrowed/(Repaid) | 8,78,853 | - |
| Finance Cost | (27,833) | (19,775) |
| Net Cash Flow From Financing Activities (C) | 8,51,020 | (19,775) |
| Net Increase / Decrease In | | |
| CASH & CASH EQUIVALENTS (A + B + C) | (26,03,886) | 29,46,075 |
| Cash & Cash Equivalents - Opening Balance | 29,98,486 | 52,411 |
| Cash & Cash Equivalents - Closing Balance | 3,94,600 | 29,98,486 |

As per our of even date

For Subramaniam Bengali & Associates

For and on behalf of the Board

Chartered Accountants

Firm Reg. No. 127499W

MUMBAI

M. No. 43898

CA Ratan D. Jain

MUMBAI

Mem No: 043998

Mumbai, 14.07.2020

Ratanchand D Jain

Managing Director

DIN: 01604521

Harsh Mehta

Whole time director & CFO

DIN: 08315401

Sanjay R vishwakarma

Company Secretary

Mumbai, 14.07.2020

KRKUMAR INDUSTRIES LIMITED
CIN: U45203MH1987PLC042969
BALANCE SHEET AS AT 30TH SEPTEMBER 2020

Page 99

(Amount in Rs)

| Particulars | Note No. | As at 30 September 2020 | As at 31 March 2020 |
|-----------------------------------------|----------|----------------------------|------------------------|
| 1 EQUITY AND LIABILITIES | | | |
| I Shareholders' funds | | | |
| Share Capital | 2 | 30,800,000 | 30,800,000 |
| Reserves and Surplus | 3 | 39,640,115 | 39,941,681 |
| II Non-current liabilities | | | |
| Long-term borrowings | | - | - |
| Deferred tax liabilities/(Assets) (Net) | | 145 | 1,141 |
| III Current liabilities | | | |
| Short-term Borrowings | 4 | 8,070,000 | 7,200,000 |
| Other current liabilities | 5 | 55,000 | 55,000 |
| Trade payables | 6 | - | - |
| Short term provisions | 7 | 200,000 | 200,000 |
| | | 78,765,259 | 78,197,822 |
| 2 ASSETS | | | |
| I Non-current assets | | | |
| Fixed Assets | 8 | 24,173 | 33,910 |
| Non current investments | 9 | 35,621,588 | 36,237,730 |
| Deferred tax assets (net) | | - | - |
| Long term loans & advances | 10 | 16,602,674 | 16,337,024 |
| Other Non current Assets | 11 | - | - |
| II Current assets | | | |
| Inventories | 12 | - | - |
| Cash and cash equivalents | 13 | 299,521 | 245,068 |
| Short Term Loans and Advanve | 14 | 24,932,320 | 24,932,320 |
| Other Current assets | 15 | 1,284,984 | 411,770 |
| | | 78,765,259 | 78,197,822 |

For S. D. Mota & Associates
Chartered Accountants

(Sanjay D. Motta)

Proprietor

Membership No.107688

Place : Mumbai

Date : 31/10/2020



For and on behalf of the Board of Directors

Kiran R. Jain

Director

DIN: 00684349



P. G. Jain

Director

DIN: 02348459

Profit and Loss statement for the period ended 30TH SEPTEMBER 2020

(Amount in Rs.)

| Particulars | Note No. | As AT | As At |
|------------------------------------------|----------|-------------------|------------------|
| | | 30 September 2020 | 31 March 2020 |
| I. Revenue from operations | 16 | - | - |
| II. Other income | 17 | -202,097 | 1,271,542 |
| III. Total Revenue (I + II) | | -202,097 | 1,271,542 |
| IV. Expenses: | | | |
| Purchases of Stock-in-Trade | 18 | - | - |
| Changes in inventories of stock in trade | 19 | - | - |
| Employee Cost | 20 | - | - |
| Finance costs | | - | - |
| Depreciation | | 9,738 | 19,475 |
| Other expenses | 21 | 90,729 | 596,872 |
| Total expenses | | 100,466 | 616,347 |
| V. Profit before Tax (III- IV) | | -302,563 | 655,195 |
| Extraordinary items | | - | 613,830 |
| Profit /(Loss) before tax | | -302,563 | 41,365 |
| Tax expenses: | | | |
| VI Tax expense: | | | |
| ~Current Tax | | - | 200,000 |
| ~Previous Year | | - | -8,529 |
| ~Deferred Tax | | -996 | 53 |
| | | -996 | 191,524 |
| VII Profit / (Loss) after Tax | | -301,567 | -150,159 |
| VIII Earnings per equity share: | 22 | | |
| (1) Basic | | -0.10 | -0.05 |
| (2) Diluted | | -0.10 | -0.05 |

For S. D. Mota & Associates

Chartered Accountants

(Sanjay D. Motta)

Proprietor

Membership No.107688

Place : Mumbai

Date : 31/10/2020



For and on behalf of the Board of Directors

Kiran R. Jain

Director

DIN: 00684349



P. G. Jain

Priya G. Jain

Director

DIN: 02348459

KRKUMAR INDUSTRIES LIMITED
CIN: U45203MH1987PLC042969
CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER 2020

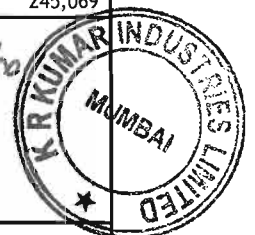
(Amount in ₹)

| | As at 30TH SEPT 2020 | As at 31st March 2020 |
|---------------------------------------------------------------|----------------------|-----------------------|
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax and Extraordinary Items | (302,563) | 41,365 |
| Adjusted for | | |
| Depreciation | 9,738 | 19,475 |
| (Profit)/Loss on sale of Investments | 385,107 | 100,934 |
| Other Income | - | - |
| Interest Income | (12,167) | (456,418) |
| Interest Expenses | - | 384,329 |
| Operating Profit before Working Capital changes | 80,114 | 89,686 |
| Adjustments for changes in working capital | | |
| (Increase)/Decrease in Trade and Other Receivables | - | - |
| (Increase)/Decrease in Inventories | - | - |
| (Increase)/Decrease in Loans & Advances and Other C.A. | (873,214) | 1,127,939 |
| (Increase)/Decrease in Long term Loans & Advances | (265,650) | (193,000) |
| Increase/(Decrease) in Trade Payables | - | - |
| Increase/(Decrease) in other Current liabilities & Provisions | - | (8,301,300) |
| Cash generated from operations | (1,058,750) | (7,276,675) |
| Direct Taxes Paid | - | 191,471 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | (1,058,750) | (7,468,146) |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale of fixed assets | - | - |
| (Purchase) of Fixed Assets (Net) & Capital WIP | - | - |
| (Purchase)/Sales of Investments (Net) | 616,142 | 270,736 |
| Profit/(Loss) on sale of Investments | (385,107) | (100,934) |
| Interest / Other income | 12,167 | 456,418 |
| NET CASH USED IN INVESTING ACTIVITIES | 243,202 | 626,220 |
| (C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | - | - |
| Repayment of Long Term Borrowings | - | - |
| Proceeds from Short Term Borrowings | 870,000.00 | 7,200,000 |
| Decrease in Working Capital Borrowing from Banks | - | - |
| Interest paid | - | (384,329) |
| NET CASH FROM FINANCING ACTIVITIES | 870,000 | 6,815,671 |
| NET INCREASE IN CASH AND CASH EQUIVALANTS (A+B+C) | 54,452 | (26,256) |
| OPENING BALANCE OF CASH AND CASH EQUIVALANTS | 245,069 | 271,325 |
| CLOSING BALANCE OF CASH AND CASH EQUIVALANTS | 299,521 | 245,069 |

Kiran R. Jain P.G. Jain

Kiran R. Jain
Director
DIN: 00684349

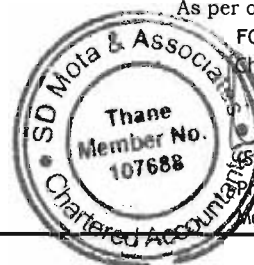
Priya G. Jain
Director
DIN: 02348459

**AUDITOR'S REPORT ON CASH FLOW STATEMENT**

We have examined the above Cash Flow Statement of M/s. KR KUMAR INDUSTRIES LIMITED, derived from audited financial statements and the books and records maintained by the company for the period ended 30th September 2020 and found the same in agreement therewith.

As per our attached report of even date

FOR S D Mota & Associates
Chartered Accountants



Sanjay D Motta
Sanjay D Motta
Proprietor
Membership No. 107688

Place: Mumbai
Date : 31/10/2020

RRIL LIMITED (Formerly knownn as S R K INDUSTRIES LIMITED)

Provisional BALANCE SHEET AS AT 30.09.2020

| | PARTICULARS | Note No. | As At 30.09.2020 | As At 31.03.2020 |
|----------|--------------------------------------------------------------------------------------------|----------|---------------------|---------------------|
| A | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, Plant and Equipment | 1 | 41,81,760 | 49,54,228 |
| | (b) Capital work-in-progress | | 15,00,000 | 15,00,000 |
| | (c) Goodwill | | 9,60,75,000 | 10,67,50,000 |
| | (d) Financial Assets | | | |
| | (i) Investments | 2 | 7,89,91,936 | 7,89,91,936 |
| | (e) Deferred tax assets (net) | | 1,84,85,736 | 1,26,18,645 |
| | (f) Other non-current assets | 3 | - | - |
| | Total - Non-current assets | | 19,92,34,432 | 20,48,14,809 |
| 2 | Current assets | | | |
| | (a) Inventories | | - | - |
| | (b) Financial Assets | | | |
| | (i) Investments | 4 | - | - |
| | (ii) Trade receivables | 5 | - | - |
| | (iii) Cash and cash equivalents | 6 | 1,682 | 87 |
| | (iv) Bank balances other than(iii) above | 7 | 8,87,700 | 3,94,513 |
| | (v) Loans & Advances | 8 | 23,34,25,831 | 22,61,08,504 |
| | (c) Current Tax Assets (Net) | 9 | 2,24,815 | 2,24,815 |
| | (d) Other current assets | 10 | 13,75,350 | 11,19,487 |
| | Total - Current assets | | 23,59,15,378 | 22,78,47,406 |
| | TOTAL ASSETS (1 + 2) | | 43,51,49,810 | 43,26,62,215 |
| B | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| | (a) Equity Share capital | 11 | 39,22,66,900 | 39,22,66,900 |
| | (b) Other Equity | 12 | 3,81,16,817 | 3,47,63,346 |
| | Total - Equity | | 43,03,83,717 | 42,70,30,246 |
| 2 | LIABILITIES | | | |
| I. | Non-current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 13 | 28,24,323 | 30,50,670 |
| | (ii) Trade payables | | - | - |
| | (iii)Other financial liabilities (other than those specified in item (b), to be specified) | | - | - |
| | (b) Provisions | | - | - |
| | (c) Deferred tax liabilities (Net) | | - | - |
| | (d) Other non-current liabilities | | - | - |
| | Total - Non-current liabilities | | 28,24,323 | 30,50,670 |
| II. | Current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 14 | 8,78,853 | 8,78,853 |
| | (ii) Trade payables | 15 | 6,58,020 | 9,08,058 |
| | (b) Other current liabilities | 16 | 4,04,897 | 7,94,388 |
| | Total Liabilities | | 19,41,770 | 25,81,299 |
| | TOTAL EQUITY AND LIABILITIES (1 + 2) | | 43,51,49,810 | 43,26,62,215 |

For and on behalf of the Board

Ratanchand D Jain
Managing Director
DIN: 01604521

Harsh Mehta
Whole time director & CFO
DIN: 08315401

Sanjay R vishwakarma
Company Secretary
M.No. A51341

RRIL LIMITED (Formerly knownn as S R K INDUSTRIES LIMITED)

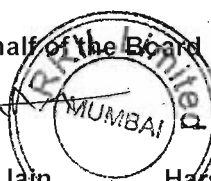
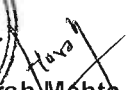
Statement of Profit and Loss for the year ended 30.09.2020 (Provisional)

| PARTICULARS | Note No. | Year 30.09.2020 | Year 31.03.2020 |
|----------------------------------------------------------------------------------------------------------------|----------|--------------------|-----------------------|
| CONTINUING OPERATIONS | | | |
| Revenue from operations | 17 | 2,47,53,600 | 99,78,22,509 |
| Other Income | 18 | 1,28,47,927 | 4,00,59,161 |
| Total | | 3,76,01,527 | 1,03,78,81,670 |
| Expenses | | | |
| (a) Purchases of Traded goods | 19 | 2,43,83,275 | 98,16,42,591 |
| (b) Employee benefits expenses | 20 | 17,60,000 | 26,18,475 |
| (c) Other Expenses | 21 | 23,57,407 | 1,23,16,264 |
| Total | | 2,85,00,682 | 99,65,77,330 |
| Profit before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) | | 91,00,845 | 4,13,04,340 |
| Finance Cost | | 1,66,998 | 27,833 |
| Depreciation and amortization expense | 22 | 1,14,47,468 | 2,15,54,164 |
| Profit / (Loss) before exceptional and extraordinary items and tax | | (25,13,621) | 1,97,22,343 |
| Exceptional items | | | 463 |
| Profit/ (Loss) before extraordinary items and tax | | (25,13,621) | 1,97,21,880 |
| Extraordinary items | | - | - |
| Profit / (Loss) before tax | | (25,13,621) | 1,97,21,880 |
| Tax expenses: | | | |
| Current Tax | | - | - |
| Prior years' Income Tax | | - | - |
| Deferred Tax | | 58,67,092 | (95,13,022) |
| Profit/ (Loss) from continuing operations | | 33,53,471 | 1,02,08,858 |
| OTHER COMPREHENSIVE INCOME: | | | |
| i) Items that will not be reclassified to Statement of profit and loss | | - | - |
| ii) Items that will be reclassified to Statement of profit and loss | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 33,53,471 | 1,02,08,858 |
| Earnings per share of Rs 5/- each | | | |
| Basic | | 0.04 | 0.13 |
| Diluted | | 0.04 | 0.13 |
| Nominal Value of Share | | 5 | 5 |


For and on behalf of the Board



Ratanchand D Jain
Managing Director
DIN: 01604521

Harsh Mehta
Whole time director & CFO
DIN: 08315401

Sanjay R vishwakarma
Company Secretary
M.No. A51341

RRIL Limited (Formerly knownn as S R K Industries limited)


Cash Flow Statement for the period Ended 30th September, 2020

| PARTICULARS | (Amount in Rs.) | |
|---------------------------------------------------------|----------------------|--------------------|
| | 30.09.2020 | 31.03.2020 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | (25,13,621) | 1,97,21,879 |
| Adjustments for | | |
| Depreciation | 1,14,47,468 | 2,15,54,164 |
| Miscellaneous Expenditure | - | - |
| Considered Seperately | | |
| Interest Income | (1,28,17,327) | (23,82,268) |
| Finance Cost | 1,66,998 | 27,833 |
| Operating Profit Before Working Capital Changes: | (37,16,482) | 3,89,21,608 |
| Trade and other receivable | - | 3,23,33,280 |
| Non-current liabilities | (2,26,347) | 30,50,670 |
| Trade Payables and other liabilities | (6,39,529) | (2,53,26,949) |
| Current investment | - | 62,92,478 |
| Loans & advances | (73,17,327) | (5,89,14,481) |
| Cash generated from operations | (1,18,99,685) | (36,43,394) |
| Direct Taxes paid | - | - |
| Net Cash Flow From Operating Activites (A) | (1,18,99,685) | (36,43,394) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Increase in Other Non Current Assets | (2,55,863) | 6,58,53,279 |
| Purchase of fixed assets | - | (48,30,459) |
| Purchase of long-term investments | - | (6,32,16,600) |
| Interest Income | 1,28,17,327 | 23,82,268 |
| Net Cash Flow From Investing Activites (B) | 1,25,61,464 | 1,88,488 |
| CASH FLOW FROM FINANVING ACTIVITIES | | |
| Long Term & Short Term Funds Borrowed/(Repaid) | - | 8,78,853 |
| Finance Cost | (1,66,998) | (27,833) |
| Net Cash Flow From Financing Activites (C) | (1,66,998) | 8,51,020 |
| Net Increase / Decrease In | | |
| CASH & CASH EQUIVALENTS (A + B + C) | 4,94,781 | (26,03,886) |
| Cash & Cash Equivalents - Opening Balance | 3,94,600 | 29,98,486 |
| Cash & Cash Equivalents - Closing Balance | 8,89,381 | 3,94,600 |

For and on behalf of the Board



 Ratanchand D Jain Harsh Mehta
 Managing Director Whole time director & CFO
 DIN: 01604521 DIN: 08315401



 Sanjay R vishwakarma
 Company Secretary
 M.No. A51341



REPORT OF THE AUDIT COMMITTEE OF RRIL LIMITED (“THE COMPANY”) RECOMMENDING THE DRAFT SCHEME OF MERGER BY ABSORPTION OF KRKUMAR INDUSTRIES LIMITED BY RRIL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013.

To,
The Board of Directors
RRIL Limited
A-325, Hari Om Plaza, M.G. Road,
Near Om Kareshwar Temple,
Borivali East
Mumbai 400066

1. Background

- 1.1 A meeting of the Audit Committee of the Company was held on March 05, 2020 to consider and recommend the proposed Scheme of Merger by absorption of KRKumar Industries Limited (“KRK”/ “the Transferor Company”) with RRIL Limited (“RRIL”/ “the Transferee Company”/ “the Company”) and their respective shareholders under 230 to 232 of Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (“Scheme”).
- 1.2 The Scheme inter alia provides for Merger by Absorption of KRK with RRIL. The Equity Shares of the Company are listed on BSE limited. The Company will be filing the Scheme of Merger by Absorption along with necessary information / documents to the BSE limited.
- 1.3 This report of Audit Committee is made in order to comply with the requirement of Securities and Exchange Board of India (“SEBI”) circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 as amended from time to time and read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.4 The following documents were placed before the Audit Committee:
 - a) Draft Scheme of Merger by Absorption.
 - b) Valuation Report dated March 04, 2020 issued by Mr. Dinesh Kumar Deora (Registered Valuer- Securities or Financial Assets).
 - c) Fairness Opinion Report dated March 05, 2020 issued by Mark Corporate Advisors Private Limited; a SEBI registered Merchant Banker providing the Fairness Opinion on the share



entitlement recommended in the Valuation Report prepared by Mr. Dinesh Kumar Deora (Registered Valuer- Securities or Financial Assets).

- d) Draft Certificate obtained from the Statutory Auditors of the Company i.e. Subramaniam Bengali & Associates, Chartered Accountants to the effect that the accounting treatment contained in the Scheme is in compliance with all the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles in India.

2. Proposed scheme

2.1 The Audit Committee noted the rationale and the benefits of the Scheme which, inter-alia, are as follows:

- a) The Appointed Date of the Scheme is 1st April, 2020 and Effective date is date on which the authenticated copies or certified copies of the Orders of the National Company Law Tribunal (NCLT), sanctioning the Scheme are filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company.
- b) Under the Proposed Scheme, all assets and liabilities of KRK of whatsoever nature and wherever situated shall without any further act or deed be transferred to and vested in RRIL with effect from the appointed date.
- c) In consideration of transfer and vesting of KRK into RRIL in terms of the Scheme, RRIL will issue fully paid up equity shares of face value of Rs.5 each to the registered fully paid up equity shareholders of KRK as on the record date defined in the scheme. As per the Valuation Report prepared by Mr. Dinesh Kumar Deora, (Registered Valuer- Securities or Financial Assets) the share exchange ratio determined was against 1 (One) Equity Share of the face value of Rs.10 each of the KRK, 14 (Fourteen) Equity Shares of the face value of Rs. 5/- each of the RRIL shall be issued to the Shareholders of KRK on basis of the valuation of the assets and liabilities of the Company carried out by them as provided in their report.
- d) KRK and RRIL, belonging to the same group of management, are largely engaged in the similar kind of business activities i.e. dealing in textile products and re-development of housing project, and any other related activities. Which will be beneficial to the merged entity for its product portfolio pursuant to the Scheme coming into effect.
- e) Presently, the Transferor Company is engaged in the business pertaining to Construction and Textile activities. Whereas, the Transferee Company is engaged in the business of Trading in Textile products in fabrics and Yarn and also venturing into the business activities of real estate / re-development of Housing property. The proposed Merger by Absorption will enable the integration of the business activities of the Transferor Company with the Transferee Company.



- f) The proposed Scheme of Merger by Absorption will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- g) The proposed Merger by Absorption will result in significant reduction in multiplicity of legal and regulatory compliances, which at present are required to be made separately by the Transferee Company as well as by the Transferor Company.
- h) The proposed Merger by Absorption would enhance the shareholders' value of the Transferor Company and the Transferee Company.
- i) The proposed Merger by Absorption will have beneficial impact on the Transferor Company and the Transferee Company, their shareholders, employees and other stakeholders and all concerned.
- j) As on December 31, 2019, RRIL has a net worth of Rs.27,05,60,061 (Rupees Twenty Seven Crores Five Lacs Sixty Thousand Sixty One only) excluding Goodwill and Deferred Tax Assets and KRK has a net worth of Rs.7,09,25,144 (Rupees Seven Crores Nine Lakhs Twenty Five Thousand One Hundred and Forty Four only). The combined entity will have net worth of around Rs.34,12,33,569/- (Rupees thirty four crore twelve lacs thirty three thousand five hundred sixty nine only) which will enable the merged entity with more negotiation power for debt finance considering its size and financial strength further the merged entity will have option of equity financing.

2.2 The Audit Committee reviewed the Valuation Report, Fairness Opinion and noted the recommendations made therein. Further, the Fairness Opinion confirmed that the Scheme is fair and reasonable to the Shareholders of the Company.

2.3 The Audit Committee reviewed the Draft certificate of Accounting treatment issued by Subramaniam Bengali & Associates, Chartered Accountants, the Statutory Auditors of the Company and noted that the accounting treatment as specified in the scheme is in compliance with all the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles in India.

2.4 The Equity Shares of RRIL to be issued and allotted to the Equity Shareholders of KRK pursuant to the Scheme of Merger by Absorption shall be listed on BSE Limited (subject to trading approval granted by BSE Limited).



3. Recommendation of Audit Committee

Audit committee after due deliberations and consideration of all the terms of the Draft Scheme, Valuation Report, Fairness Opinion and the specific points mentioned above, recommended the Scheme for favorable consideration by the Board of Directors of the Company, BSE Limited and Securities and Exchange Board of India.

By Order of Audit Committee
For and on behalf of RRIL Limited

PINAKIN
PRASANCHAN
D MEHTA

Digitally signed by PINAKIN
PRASANCHAN MEHTA
DN: cn=PRASANCHAN MEHTA,
c=IN, st=MAHARASHTRA, o=Personal,
serialNumber=B2641882325a71e03778192
6c4917087413a1e119b34687237a054493
e43a
Date: 2020.04.25 12:08:27 +05'30'

Pinakin P. Mehta
Chairman of Audit committee

Place: Mumbai
Date: 05.03.2020



CERTIFIED TRUE COPY OF RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF KRKUMAR INDUSTRIES LIMITED HELD ON 5TH MARCH, 2020 AT THE REGISTERED OFFICE SITUATED AT 101, RAJ BHAVAN, DAULAT NAGAR ROAD NO. 9, BORIVALI (EAST) MUMBAI, MAHARASHTRA- 400066, AT 5.30 PM AND CONCLUDED AT 6.30 PM

APPROVAL OF SCHEME OF MERGER BY ABSORPTION OF KRKUMAR INDUSTRIES LIMITED BY RRIL LIMITED:

The Chairman briefed the Board of Directors about the proposed Merger by absorption of KRKumar Industries Limited ("**KRK**" or "**the Company**") by RRIL Limited ("**RRIL**" or "**Transferee Company**"), a Listed Company by way of a Scheme of Merger by Absorption under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules and regulations made thereunder including any statutory modifications, re-enactments or amendments made thereto from time to time ("**the Scheme**").

The Chairman further informed the Board of Directors that the aforesaid consolidation by way of merger of both the Companies will lead to synergies of operation and stronger and wider capital and financial base for future growth/expansion. This merger will incur lower cost of business thereby increasing the efficiency and providing the Company with a higher bargaining power.

The Chairman placed before the Board the following points:

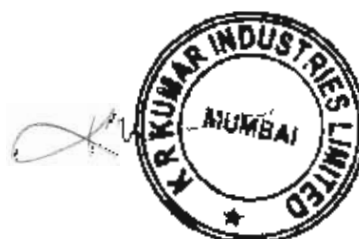
(i) Draft Scheme of Merger by Absorption ("**Scheme**");

(ii) The Valuation Report dated 4th March, 2020 prepared by Mr. Dinesh Kumar Deora, (Registered Valuer- Securities or Financial Assets), in relation to the shares to be issued by RRIL to the shareholders of the Company pursuant to the Scheme;

(iii) The Fairness Opinion issued by Mark Corporate Advisors Private Limited, Merchant Banker on the said Valuation Report; and

(iv) Report explaining the effect of the scheme on each class of shareholders, Key Managerial Personnel, promoters and non-promoter shareholders as required under the Companies Act 2013.

The Chairman informed the Board that Mr. Dinesh Kumar Deora, (Registered Valuer- Securities or Financial Assets) had determined the Share Swap Ratio for the proposed Merger would be as: Against 1 (One) Equity Share of the Face value of Rs.10/- each of the KRK, 14 (Fourteen) Equity Shares of the Face value of Rs.5/- each of the RRIL shall be issued to the shareholders of KRK on the basis of the valuation of the assets and liabilities of the Companies carried out by them as provided in their report.





The Board, after discussion, passed the following resolution in this regard:

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 along with the rules and regulations issued thereunder, including any statutory modifications, re-enactments or amendments made thereto from time to time, subject to the provisions in Memorandum of Association and Articles of Association of the Company, approval from BSE Limited (“BSE”), approval from Securities and Exchange Board of India (the “SEBI”), approval from the Shareholders of the Company, approval from its Creditors and subject to the sanction of the National Company Law Tribunal (“NCLT”) constituted under the companies Act, 2013, and subject to the approval of any other statutory or governmental authorities, the Draft Scheme of Merger by absorption of KRK by RRIL, a company incorporated under the Companies Act, 1956 and having its registered office at A-325, Hari Om Plaza, M.G. Road, Near Om Kareshwar Temple, Borivali East, Mumbai - 400066 (“RRIL”) and their respective shareholders and creditors (“Scheme”) placed before the Board and initialed by the Chairman for the purpose of identification be and is hereby approved.

RESOLVED FURTHER THAT the Company do take further steps for obtaining the requisite approvals of the shareholders and the creditors of the Company and other regulatory authorities and persons whose consent is required under law for the Scheme and for that purpose to initiate all necessary actions including seeking appropriate directions from the NCLT for either dispensing with the requirement of convening meetings of the shareholders and/ or creditors of the Company and other concerned persons’ parties and to take all other consequential steps in that behalf, including the preparation and circulation of the notices and explanatory statements, and filing of all other documents required to be filed in this connection.

RESOLVED FURTHER THAT for the purpose of the Scheme and for determining the share exchange ratio, the Valuation Report prepared by Mr. Dinesh Kumar Deora, (Registered Valuer-Securities or Financial Assets) and Fairness Opinion issued by Mark Corporate Advisors Private Limited, Merchant Banker, submitted to the meeting and signed by the Chairman of the meeting be and is hereby approved subject to modification as stated as hereinabove in respect to share exchange ratio.

RESOLVED FURTHER THAT upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, without any further act or deed on the part of RRIL, RRIL will, in aggregate, issue and allot 4,31,20,000 (Four Crores Thirty One Lacs Twenty Thousand Only) Equity Shares of Rs. 5/- each to registered fully paid-up equity shareholders of KRK on the Record Date, as decided by the Board of Directors of RRIL, in the ratio of; Against 1 (One) Equity Share of the Face value of Rs.10/- each of the KRK, 14 (Fourteen) Equity Shares of the Face value of Rs.5/- each of the RRIL, shall be issued to the shareholders of KRK.





RESOLVED FURTHER THAT upon the Scheme coming into effect, all the 3,59,090 (0.46%) Equity Shares of Face Value of Rs.5/- each held by the Company in RRIL shall stand cancelled and extinguished on and from the Effective Date as an integral part of the Scheme and accordingly, the Share Certificates in respect of the aforesaid Equity Shares held by the Company in RRIL shall also stand cancelled and shall be deemed to be cancelled without any further act or deed.

RESOLVED FURTHER THAT Mr. Kiran Ratanchand Jain, Director (DIN:00684349), Mr. Ratanchand D. Jain, and / or Mr. Harsh Mehta, Authorised Persons of the Company, be and are hereby severally authorized to make such alterations and changes in the Scheme, as may be expedient and necessary for satisfying the requirement(s) or conditions imposed by the NCLT or any other statutory authorities as may be required, provided that prior approval of the Board shall be obtained for making any material changes in the said Draft Scheme, as approved in this meeting.

RESOLVED FURTHER THAT the report of the Board of Directors explaining the effect of the Scheme of Merger on each class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders as required to be annexed to the notice and explanatory statement as per section 232(2) of Companies Act 2013, submitted before the meeting, duly initialed by the Chairman of the Meeting for the purpose of identification, and signed on behalf of the Board of Directors of the Company by Mr. Kiran Ratanchand Jain.

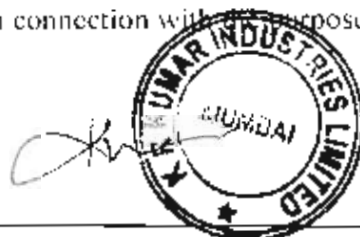
RESOLVED FURTHER THAT the Board be and hereby further authorize Mr. Kiran Ratanchand Jain, Director (DIN: 00684349), Mr. Ratanchand D. Jain, and / or Mr. Harsh Mehta, Authorised Persons of the Company severally, to take all such steps in connection with:

- (a) To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, undertake, record all deeds, declarations, instruments, vakalatnamas, applications, petitions, affidavits, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient and all matter of documents, petitions, affidavits and applications under the applicable laws including Companies Act, 2013 or Companies Act, 1956, as the case may be, and other applicable laws in relation to the aforesaid matter;
- (b) To make necessary applications, petitions, appeals and judges summons to the competent authorities for the purpose for obtaining requisite approvals as and when required before any Court, Tribunal, or statutory authorities;
- (c) To file applications and/ or petitions before the NCLT for the directions for holding the meeting of the shareholders and creditors and for sanction of the Scheme;





- (d) To send notices, explanatory statement and other related documents and to conduct court convened meeting(s) and for meeting as per the applicable laws and/or as per direction of the NCLT;
- (e) Filing of valuation report as prepared by Mr. Dinesh Kumar Deora, (Registered Valuer- Securities or Financial Assets) providing the share exchange ratio in respect of the aforesaid Scheme and Fairness Opinion issued by issued by Mark Corporate Advisors Private Limited;
- (f) To file requisite undertaking, affidavit, certificates or other documents and/ or liaise with SEBI, BSE, the regional Director, Registrar of Companies, Stamp Authorities, sub Registrar of Assurances, Official Liquidator, income tax authorities or any other governmental authorities in connection with the proposed Scheme during the process of sanction thereof and during the implementation of the Scheme after sanction of the Scheme;
- (g) To make necessary applications, petitions, appeals and judge summons to the competent authorities for the purpose for obtaining requisite approvals including in principle approvals as and when required before any Court, Tribunal, BSE, SEBI or statutory authorities as may be required for the purpose of sanction and/ or implementation of the Scheme;
- (h) To engage Advocates and any counsel/ advocate on record appointed by them, and any other advisors, counsels, consultant firms to advise and represent the Company before competent authorities etc;
- (i) To appoint and settle the terms of the appointment of rating agencies, Merchant Bankers and other intermediaries as may be required for the purpose of implementing the Scheme.
- (j) To make application to BSE, the SEBI and other governmental authorities for listing of the equity shares issued pursuant to the aforesaid Scheme;
- (k) To affix the common seal of the Company on such deeds, documents, agreements, undertakings, letters, writings, etc. from time to time (including any modifications thereto) or any such other documents in connection with the purpose of above resolutions





as may be required and in accordance with the provisions of the Articles of Association of the Company;

(l) To make such alterations and change and/ or modifications in the aforesaid applications and/or petitions as may be expedient and necessary for satisfying the requirements and conditions imposed if any, by the court or any authority;

(m) And do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the above decision, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect to the aforesaid resolutions, including the execution of any documents(s) that may be deemed fit.

RESOLVED FURTHER THAT the copy of the aforesaid resolutions certified to be true by any Director of the Company and the same be submitted to the concerned authorities and they be requested to act thereon."

//CERTIFIED TO BE TRUE//

For KRKumar Industries Limited

Kiran R Jain
Director
DIN: 00684349





RRIL Limited

[Formerly Known as S R K Industries Limited]

CERTIFIED TRUE COPY OF RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF RRIL LIMITED HELD ON 5TH MARCH, 2020 AT THE REGISTERED OFFICE SITUATED AT A-325, HARI OM PLAZA, M.G. ROAD, NEAR OM KARESHWAR TEMPLE, BORIVALI (EAST), MUMBAI - 400066, MAHARASHTRA, AT 4.00 P.M. AND CONCLUDED AT 5.30 P.M.

APPROVAL OF SCHEME OF MERGER BY ABSORPTION OF KRKUMAR INDUSTRIES LIMITED BY RRIL LIMITED:

The Board of Directors discussed and deliberated over the Merger by absorption of KRKumar Industries Limited ("**KRK**" or "**Transferor Company**") by RRIL Limited ("**RRIL**" or "**Transferee Company**" or "**the Company**") with special reference to the feasibility of conveniently combining the businesses/undertakings with the Company and other synergic, administrative, operational and monetary advantages derived upon combining of their businesses.

The Chairman informed the Board the aforesaid consolidation by way of merger of both the Companies will lead to synergies of operation and stronger and wider capital and financial base for future growth/expansion. This merger will incur lower cost of business thereby increasing the efficiency and providing the Company with a higher bargaining power.

The Chairman placed before the Board the following points:

- (i) Draft Scheme of Merger by Absorption ("**Scheme**");
- (ii) The Valuation Report dated 4th March, 2020 prepared by Mr. Dinesh Kumar Deora, (Registered Valuer- Securities or Financial Assets), in relation to the shares to be issued by RRIL to the shareholders of KRK pursuant to the Scheme;
- (iii) The Fairness Opinion issued by Mark Corporate Advisors Private Limited, Merchant Banker on the said Valuation Report; and
- (iv) Report explaining the effect of the scheme on each class of shareholders, Key Managerial Personnel, promoters and non-promoter shareholders as required under the Companies Act 2013.

The Chairman further informed the Board that a meeting of the Audit Committee of the Board was held on March 05, 2020 prior to this meeting in order to consider the Draft Scheme. The members of the Audit Committee found the proposed Scheme to be in the best interest of the Company and its shareholders, creditors and other stakeholders and recommended the Draft Scheme to the Board of Directors of the Company for its consideration and approval.

The Chairman informed the Board that Mr. Dinesh Kumar Deora, (Registered Valuer- Securities or Financial Assets) had determined the Share Swap Ratio for the proposed Merger would be as: Against 1 (One) Equity Share of the Face value of Rs.10/- each of the KRK, 14 (Fourteen) Equity Shares of the Face value of Rs.5/- each of the RRIL shall be issued to the shareholders of





KRK on the basis of the valuation of the assets and liabilities of the Companies carried out by them as provided in their report.

The Chairman placed before the Board, the Audit Committee Report dated March 05, 2020 recommending the Scheme.

The Board, after discussion, passed the following resolution in this regard:

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 along with the rules and regulations issued thereunder, including any statutory modifications, re-enactments or amendments made thereto from time to time, subject to the provisions in Memorandum of Association and Articles of Association of the Company, approval from BSE Limited (“BSE”), approval from Securities and Exchange Board of India (the “SEBI”), approval from the Shareholders of the Company (including approval from the Shareholders through Postal Ballot and E-voting), approval from its Creditors and subject to the sanction of the National Company Law Tribunal (“NCLT”) constituted under the companies Act, 2013, and subject to the approval of any other statutory or governmental authorities, the Draft Scheme of Merger by absorption of KRK by RRIL, a company incorporated under the Companies Act, 1956 and having its registered office at A-325, Hari Om Plaza, M.G. Road, Near Om Kareshwar Temple, Borivali East, Mumbai - 400066 (“RRIL”) and their respective shareholders and creditors (“Scheme”) placed before the Board and initialed by the Chairman for the purpose of identification be and is hereby approved.

RESOLVED FURTHER THAT the Company do take further steps for obtaining the requisite approvals of the shareholders and the creditors of the Company and other regulatory authorities and persons whose consent is required under law for the Scheme and for that purpose to initiate all necessary actions including seeking appropriate directions from the NCLT for either dispensing with the requirement of convening meetings of the shareholders and/ or creditors of the Company and other concerned persons/ parties and to take all other consequential steps in that behalf, including the preparation and circulation of the notices and explanatory statements, and filing of all other documents required to be filed in this connection.

RESOLVED FURTHER THAT for the purpose of the Scheme and for determining the share exchange ratio, the Valuation Report prepared by Mr. Dinesh Kumar Deora, (Registered Valuer-Securities or Financial Assets) and Fairness Opinion issued by Mark Corporate Advisors Private Limited, Merchant Banker, submitted to the meeting and signed by the Chairman of the meeting be and is hereby approved subject to modification as stated as hereinabove in respect to share exchange ratio.

RESOLVED FURTHER THAT Report of the Audit Committee dated March 05, 2020 recommending the Draft Scheme for favorable consideration and approval by the Board, be and is hereby approved for submission to the BSE and SEBI in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) and circulars and regulations issued by SEBI thereunder.





RESOLVED FURTHER THAT upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, without any further act or deed on the part of RRIL, RRIL will, in aggregate, issue and allot 4,31,20,000 (Four Crores Thirty One Lacs Twenty Thousand Only) Equity Shares of Rs. 5/- each (the "New Shares") to registered fully paid-up equity shareholders of KRK on the Record Date, as decided by the Board in the ratio of; Against 1 (One) Equity Share of the Face value of Rs.10/- each of the KRK, 14 (Fourteen) Equity Shares of the Face value of Rs.5/- each of the RRIL shall be issued to the shareholders of KRK.

RESOLVED FURTHER THAT upon the Scheme coming into effect, all the 3,59,090 (0.46%) Equity Shares of Face Value of Rs.5/- each held by KRKumar Industries Limited in the Company shall stand cancelled and extinguished on and from the Effective Date as an integral part of the Scheme and accordingly, the Share Certificates in respect of the aforesaid Equity Shares held by KRK in RRIL shall also stand cancelled and shall be deemed to be cancelled without any further act or deed.

RESOLVED FURTHER THAT Mr. Ratanchand D. Jain, Managing Director (DIN:01604521), Mr. Harsh Mehta, Executive Director & CFO, (DIN: 08315401) and/ or Mr. Sanjaykumar Vishwakarma, Company Secretary of the Company, be and are hereby severally authorized to make such alterations and changes in the Scheme, as may be expedient and necessary for satisfying the requirement(s) or conditions imposed by the NCLT or any other statutory authorities as may be required, provided that prior approval of the Board shall be obtained for making any material changes in the said Draft Scheme, as approved in this meeting.

RESOLVED FURTHER THAT the report of the Board of Directors explaining the effect of the Scheme of Merger on each class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders as required to be annexed to the notice and explanatory statement as per section 232(2) of Companies Act 2013, submitted before the meeting, duly initialed by the Chairman of the Meeting for the purpose of identification, and signed on behalf of the Board of Directors of the Company by Mr. Harsh Mehta.

RESOLVED FURTHER THAT the BSE Limited will be the designated stock exchange for coordinating with SEBI in accordance, with the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017 and the SEBI Circular no. CFD/DIL3/CIR/2018/2 dated January 03, 2018.

RESOLVED FURTHER THAT the Board do and hereby further authorize Ratanchand D. Jain, Managing Director (DIN: 01604521), Mr. Harsh Mehta, Executive Director & CFO, (DIN: 08315401) and/ or Mr. Sanjaykumar Vishwakarma, Company Secretary of the Company severally, to take all such steps in connection with:

- (a) To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, undertake, record all deeds, declarations, instruments, vakalatnamas, applications, petitions, affidavits, objections, notices and writings whatsoever as may be usual, necessary, proper or expedite and all matter of documents, petitions, affidavits and





RRIL Limited

[Formerly Known as S R K Industries Limited]

applications under the applicable laws including Companies Act, 2013 or Companies Act, 1956, as the case may be, and other applicable laws in relation to the aforesaid matter;

- (b) To make necessary applications, petitions, appeals and judges summons to the competent authorities for the purpose for obtaining requisite approvals as and when required before any Court, Tribunal, or statutory authorities;
- (c) To file applications and/ or petitions before the NCLT for the directions for holding the meeting of the shareholders and creditors and for sanction of the Scheme;
- (d) To send notices, explanatory statement and other related documents and to conduct court convened meeting(s) and /or meeting through postal ballot and e-voting as per the applicable laws and/or as per direction of the NCLT;
- (e) Filing of valuation report as prepared by Mr. Dinesh Kumar Deora, (Registered Valuer-Securities or Financial Assets) providing the share exchange ratio in respect of the aforesaid Scheme and Fairness Opinion issued by issued by Mark Corporate Advisors Private Limited;
- (f) File the Scheme of Amalgamation with the BSE and SEBI and to obtain approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015.
- (g) To file requisite undertaking, affidavit, certificates or other documents and/ or liaise with SEBI, BSE, the regional Director, Registrar of Companies, Stamp Authorities, sub Registrar of Assurances, Official Liquidator, income tax authorities or any other governmental authorities in connection with the proposed Scheme during the process of sanction thereof and during the implementation of the Scheme after sanction of the Scheme;
- (h) To make necessary applications, petitions, appeals and judge summons to the competent authorities for the purpose for obtaining requisite approvals including in principle approvals as and when required before any Court, Tribunal, BSE, SEBI or statutory authorities as may be required for the purpose of sanction and/ or implementation of the Scheme;





RRIL Limited

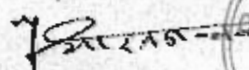
[Formerly Known as S R K Industries Limited]

- (i) To engage Advocates and any counsel/ advocate on record appointed by them, and any other advisors, counsels, consultant firms to advise and represent the Company before competent authorities etc;
- (j) To appoint and settle the terms of the appointment of rating agencies, Merchant Bankers and other intermediaries as may be required for the purpose of implementing the Scheme.
- (k) To make application to BSE, the SEBI and other governmental authorities for listing of the equity shares issued pursuant to the aforesaid Scheme;
- (l) To affix the common seal of the Company on such deeds, documents, agreements, undertakings, letters, writings, etc. from time to time (including any modifications thereto) or any such other documents in connection with the purpose of above resolutions as may be required and in accordance with the provisions of the Articles of Association of the Company;
- (m) To make such alterations and change and/ or modifications in the aforesaid applications and/ or petitions as may be expedient and necessary for satisfying the requirements and conditions imposed if any, by the court or any authority;
- (n) And do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the above decision, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect to the aforesaid resolutions, including the execution of any documents(s) that may be deemed fit.

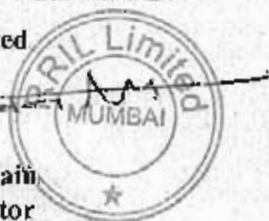
RESOLVED FURTHER THAT the copy of the aforesaid resolutions certified to be true by any Director or Company Secretary of the Company and the same be submitted to the concerned authorities and they be requested to act thereon."

//CERTIFIED TO BE TRUE//

For RRIL Limited



Ratanchand D Jain
Managing Director
DIN: 01604521





CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF RRIL LIMITED ON 8TH MAY, 2020

CONSIDERATION & APPROVAL OF ADDENDUM TO VALUATION REPORT DATED 8TH MAY, 2020:

The Board took note that Dinesh Kumar Deora, Registered Valuer - Securities or Financial Assets has issued on 8th May, 2020 an Addendum to their Valuation Report dated 4th March, 2020 on recommendation of Fair Exchange ratio for the proposed Merger by Absorption of KRKumar Industries Limited by RRIL Limited as per guidelines provided by BSE Limited.

The Board further noted that there is no change in the Share exchange ratio and the Audit Committee had also made its recommendation to the Board, accordingly the Board considered and passed following resolution unanimously;

“**RESOLVED THAT** the Addendum to Valuation Report dated 4th March, 2020 issued by Dinesh Kumar Deora, Registered Valuer - Securities or Financial Assets of fair exchange ratio for the proposed merger of KRKumar Industries Limited into RRIL Limited dated today, i.e. 8th May, 2020 as recommended by the Committee and placed before the Board be and is hereby taken non record and approved and the same be communicated to all the authorities alongwith other documents for the Scheme.”

**Certified True Copy
For RRIL Limited**

RATANCHAN
D DESHMAL
JAIN

Digitally signed by RATANCHAND
DESHMAL JAIN
DN: cn=RATANCHAND
DESHMAL JAIN, c=IN,
st=MAHARASHTRA, o=Personal,
ou=2915,
serialNumber=20e7329287834d61
206b18279e73a18405d949213e2
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Date: 2020.05.14 20:12:56 +05'30'

**Ratanchand D Jain
Managing Director**



**CERTIFIED TRUE COPY OF RESOLUTION PASSED AT THE MEETING OF THE
AUDIT COMMITTEE OF RRIL LIMITED HELD ON 8TH MAY, 2020**

**CONSIDERATION & RECOMMENDATION OF ADDENDUM TO VALUATION
REPORT DATED 8TH MAY, 2020**

The Committee took note that Dinesh Kumar Deora, Registered Valuer - Securities or Financial Assets has issued on 8th May, 2020 an Addendum to their Valuation Report dated 4th March, 2020 on recommendation of Fair Exchange ratio for the proposed Merger by Absorption of KRKumar Industries Limited by RRIL Limited as per guidelines provided by BSE Limited.

The Committee further noted that there is no change in the exchange ratio and accordingly the committee passed following resolution unanimously;

“RESOLVED THAT the Addendum to Valuation Report dated 4th March, 2020 issued by Dinesh Kumar Deora, Registered Valuer - Securities or Financial Assets of fair exchange ratio for the proposed merger of KRKumar Industries Limited into RRIL Limited dated today, i.e. 8th May, 2020 as placed before the committee be and are hereby approved and the same be recommended to the Board of Directors for their approval as there is no change in the exchange ratio.”

**Certified True Copy
For RRIL Limited**

RATANCHAN
D DESHMAL
JAIN

Digitally signed by RATANCHAND
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JAIN, c=IN, sn=RATANCHAND
JAIN, o=Personal, title=2815,
serialNumber=2ae732928783446129
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Date: 2020.05.14 20:12:38 +05'30'

**Ratanchand D Jain
Managing Director**