



**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 10, 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 : 27AAF05379J1Z

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



- 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

A handwritten signature in black ink, appearing to read 'Rajendra Kanoongo', is written over a horizontal line.

**Rajendra Kanoongo**  
Jt. Managing Director

Place : Mumbai

## 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](mailto: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 8<sup>th</sup> 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](http://www.rrillimited.com) and the website of BSE i.e. [www.bseindia.com](http://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.

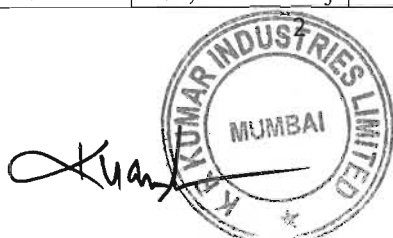
### BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

KRK was originally incorporated under the name of "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 its 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 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

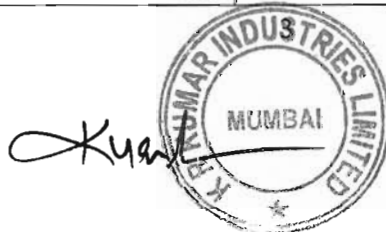
	Ratanchand Jain		Bhavan, Daulat Nagar Road No 9, Borivali East, Mumbai-400066	aged 40 years, having PAN ADCPJ7676A is a B. Tech graduate in Textile from Sasmira, Mumbai. He has 16 years of experience in Textile Industry. He looks after production & domestic market of the Company. During this period, 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 <sup>nd</sup> Floor, S.K. Bole 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

<b>Total</b>	30,80,000	100%	N.A.	-
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RESTATED AUDITED FINANCIALS				
Particulars	(Amt. in Rupees)			
	Latest Stub Period 30.09.2020	For F.Y. ended 31.03.2020	For F.Y. ended 31.03.2019	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
<ol style="list-style-type: none"> <li>1. Fluctuating prices of raw material is a big concern for the industry which may strain the profitability margins of the Company.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol>

### SUMMARY OF OUSTANDING 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

