

**NATIONAL FITTINGS LIMITED**

CIN No. : L29199TZ1993PLC008034

*Registered Office:*112, Madhapur Road, Kaniyur Village,
Karumathampatti (via),

Coimbatore - 641 659

Tel : +91 99432 93000 / 99439 93001

**Notice of the Meeting of the Equity Shareholders of
National Fittings Limited convened as per directions of
the National Company Law Tribunal, Single Bench, Chennai ('NCLT')**

Date	December 5, 2018
Day	Wednesday
Time	11.30 AM
Venue	112, Madhapur Road, Kaniyur Village, Karumathampatti (via), Coimbatore - 641659

e-voting

Start Date and Time	02.12.2018 09.00 A.M
End Date and Time	04.12.2018 05.00 P.M.

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FORM NO. CAA. 2

[Pursuant to Section 230 (3) and Rule 6 and 7)]

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH,
CHENNAI**

Company Application No 196 of 2018

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 61, 66, 230 TO
233 OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF SCHEME OF AMALGAMATION
OF INTERFIT INDIA LIMITED

AND

MERIT INDUSTRIES LIMITED

WITH

NATIONAL FITTINGS LIMITED

NATIONAL FITTINGS LIMITED

CIN: L29199TZ1993PLC008034

PAN: AAACI4737M

a Listed Public Company incorporated under the Companies Act, 1956 on 21/04/1993 having its Registered Office at SF No. 112, Mathapur Road, Kaniyur Village, Karumathampatti, Coimbatore - 641659

Represented by its Director, Mr. A.V. Palaniswamy

... APPLICANT/ TRANSFEREE COMPANY



NATIONAL FITTINGS LIMITED

NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS OF NATIONAL FITTINGS LIMITED, THE APPLICANT / TRANSFEREE COMPANY

Notice is hereby given that by an Order dated the 02.11.2018 the Hon'ble National Company Law Tribunal, Chennai Bench, Chennai has directed to convene a meeting of the Equity Shareholders of the Applicant/Transferee Company for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Amalgamation proposed to be made between Interfit India Limited (Transferor Company – 1) and Merit Industries Limited (Transferor Company – 2) with National Fittings Limited (Transferee Company).

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the Equity Shareholders of the said Company will be commenced from 11.30 A.M. on Wednesday the 05 day of December 2018 at Registered Office of the Company at 112, Madhapur Road, Kaniyur Village, Karumathampatti (via), Coimbatore – 641659 at which time and place, the said Equity Shareholders are requested to attend.

Copies of the said Scheme of Amalgamation and of the statement under Section 230 can be obtained free of charge at the Registered Office of the Company or at the office of its authorized representative V Mahesh, Authorized representative of VMACS Consulting P Ltd and V Mahesh & Associates, Practicing Company Secretaries at No. 39/19, Aspen Court, III Floor, 6th Main Road, R.A.Puram, Chennai – 600 028. Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the Registered Office of the Company at SF 112, Mathapur Road, Kaniyur Village, Karumathampatti, Coimbatore-641659, not later than 48 hours before the meeting.

The Tribunal has appointed Shri A V Palaniswamy as Chairperson of the said meeting. The abovementioned Scheme of Amalgamation, if approved at the meeting, will be subject to the subsequent approval of the Tribunal.

Further Notice is hereby given to the Equity Shareholders of the Applicant Company that the Company has provided the facility of voting by remote e-voting so as to enable the equity shareholders to consider and approve the Scheme. Accordingly, equity shareholders of the Company have the option for voting to the Scheme either through remote e-voting; or polling paper at the venue of the Meeting. The equity shareholders may refer to the 'Notes' to this Notice for further details on remote e-voting.

Dated this 9th day of November, 2018

Sd/- A V Palaniswamy
Chairperson appointed for the meeting



EXPLANATORY STATEMENT AS PER THE PROVISIONS OF SECTION 230 OF COMPANIES ACT, 2013 AND RULE 6 OF COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the Order dated 02.11.2018 passed by the Hon'ble National Company Law Tribunal, Chennai Bench, Chennai in the Company Application referred to herein above, a meeting of the Equity Shareholders of the Applicant Company will be commenced from 11.30 A.M. on Wednesday the 05 of December, 2018 at 112, Madhapur Road, Kaniyur Village, Karumathampatti (via), Coimbatore – 641659, is being convened for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Amalgamation proposed to be entered into between the Interfit India Limited (Transferor Company – 1) and Merit Industries Limited (Transferor Company - 2) with National Fittings Limited (Transferee Company/Applicant).
2. In this statement National Fittings Limited is referred to as the “**Applicant/Transferee Company** and Interfit India Limited (**Transferor Company – 1**) and Merit Industries Limited (**Transferor Company – 2**) are hereinafter referred to as “**Transferor Companies**”.
3. The persons to whom the notice is sent may vote in the meeting either in person or by proxies.
4. **THE DETAILS OF THE APPLICANT/TRANSFEREE COMPANY ARE MENTIONED BELOW:**

Corporate Identification Number (CIN)	L29199TZ1993PLC008034
Permanent Account Number (PAN)	AAACI4737M
Name of the Company	NATIONAL FITTINGS LIMITED
Date of incorporation	21/04/1993
Type of the Company	Public Company
Registered office address	SF 112, Mathapur Road, Kaniyur Village, Karumathampatti, Coimbatore - 641659
e-mail address	nationalfittingsltd@gmail.com
Summary of main Object as per the Memorandum of Association and Main business carried on by the Company;	The Company is mainly engaged in the business of manufacturing castings for Pipe Fittings for Fire Protection and HVAC industries.
Details of change of name, registered office and objects of the company during the last five years;	NIL
Name of the stock exchange (s) where securities of the company are listed, if applicable;	The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.



NATIONAL FITTINGS LIMITED

Existing capital structure of the company	<p><u>AUTHORISED SHARE CAPITAL :</u></p> <p>Rs.13,75,00,000/- (Rupees Thirteen Crores and Seventy Five Lakhs only) consisting of 87,50,000 Equity Shares of Rs.10/- each and 5,00,000 Preference Shares of Rs. 100/-each.</p> <p><u>ISSUED AND PAID UP CAPITAL:</u></p> <p>Rs. 8,32,00,000/- (Rupees Eight Crores Thirty Two Lakhs only)</p> <p>Consisting of 83,20,000 Equity Shares of Rs.10/- each.</p>
Name of the Promoter along with their addresses	<p>A.V. PALANISWAMY 39, Damu Nagar, Puliyakulam, Coimbatore-641045.</p> <p>INTERFIT INDIA LIMITED 112/3D Mathapur Road, kaniyur Village, Palladam Taluk, Karumathampatti, Coimbatore-641659.</p>



Names of the Directors along with their addresses	<p>ALAGAR RAJAGOPALAN Director 11/2, Venkat Apartments, Gandhi Street, T. Nagar, Chennai-600017</p>
	<p>CHENNIAPPAN SELVAKUMAR Additional Director 2/563, Pollachi Main Road, Malumachampatti, Coimbatore-641021</p>
	<p>A.V. PALANISWAMY Managing Director 39, Damu Nagar, Puliyakulam, Coimbatore-641045</p>
	<p>JAYARAM GOVINDARAJAN Whole-Time Director No.9, Alamu Nagar, Sathy Road Coimbatore – 641012</p>
	<p>AMBUROSE PANATHANITHA Whole-Time Director 5/203, Mathapur Road, Kaniyur, Coimbatore-641656</p>
	<p>ARJUNARAJ DHANANJAYAN Additional Director C K Colony, New Siddha Pudhur, Coimbatore – 641044</p>

5. THE FACT AND DETAILS OF ANY RELATIONSHIP SUBSISTING BETWEEN THE PARTIES TO THE SCHEME OF AMALGAMTION:

The Transferor Company – 1, INTERFIT INDIA LIMITED is mainly engaged in the business of manufacturing castings for Pipe Fittings for Fire Protection and HVAC industries. The only client / customer of Transferor -1 Company is NATIONAL FITTINGS LIMITED, Transferee Company.

MERIT INDUSTIRES LIMITED, Transferor Company - 2 is the wholly owned subsidiary of Transferee Company as on date and is mainly engaged in the business of manufacturing castings.

NATIONAL FITTINGS LIMITED, Applicant /Transferee Company is a listed entity and subsidiary of Transferor Company - 1.



NATIONAL FITTINGS LIMITED

The Scheme of Amalgamation (hereinafter referred to as “Scheme” for the sake of brevity) has been approved by the **Board of Directors** of the Applicant Company at their Meeting held on **17th January, 2018** and by the Board of Directors of the Transferor Company – 1 and Transferor Company – 2 at their Meetings held on the same aforesaid date.

6. PARTIES INVOLVED IN THE SCHEME OF AMALGAMATION:

- I. The Applicant/ Transferee Company i.e., NATIONAL FITTINGS LIMITED was incorporated under the Companies Act 1956; in the State of Tamil Nadu vide Company Identification No. L29199TZ1993PLC008034, issued by the Registrar of Companies, Coimbatore, on 21st April, 1993. The Registered Office of the Transferee Company is situated in at 112, MATHAPUR ROAD, KANIYUR VILLAGE, KARUMATHAMPATTI VIA COIMBATORE DISTRICT, COIMBATORE – 641659.
- II. The Transferor Company - 1 was originally incorporated under the Companies Act, 1956 on 24th of December, 1981 under the name and style of “INTERFIT INDIA LIMITED. The Certificate of Incorporation No. U02411TZ1981PLC001129 has been issued by the Registrar of Companies, Coimbatore. The Registered Office of the Company is at present situated at 112/3D Mathapur Road, Kaniyur Village, Palladam Taluk, Karumathampatti, Coimbatore - 641659, Tamil Nadu and is within the jurisdiction of the Hon’ble National Company Law Tribunal, Chennai bench, Chennai.
- III. The Transferor Company -2 i.e., MERIT INDUSTRIES LIMITED was incorporated under the Companies Act 1956, in the State of Tamil Nadu vide Company Identification No. U17111TZ1996PLC007528, issued by the Registrar of Companies, Coimbatore, on 28th October, 1996. The Registered Office of the Transferor Company - 2 is situated in at No 26 Damu Nagar, Coimbatore – 641045.

7. APPOINTED DATE, EFFECTIVE DATE, SHARE EXCHANGE RATIO AND OTHER CONSIDERATIONS IF ANY:

- I. “Appointed Date” means the date from which this Scheme shall become operative viz., **01st April 2017**.
- II. “Effective Date” means the date or last of the dates on which the certified copy of the Order of the Tribunal sanctioning this Scheme is filed with the concerned Registrar of Companies by the Transferor Companies and the Transferee Company.
- III. Based on the Share Valuation Report provided by M/s. Rangarajan & Co, Chartered Accountants, the Share Exchange Ratio for the proposed Amalgamation is 1.5:1 i.e., 3 (Three) Equity Shares of Transferee Company for every 2 (Two) Equity Shares of Rs. 10/- each as fully paid up held by the shareholders of the Transferor Company - 1.
- IV. With effect from the Appointed Date but effective from the date of filing of the Approved Scheme of Amalgamation with the Statutory Authorities, the whole of the Undertaking of the Transferor Companies comprising their entire business, all



assets and liabilities of whatsoever nature and where so ever situated, including the immovable properties, if any, shall, under the provisions of Section 232 read with all other applicable provisions, if any, of the Act, without any further Act or Deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Companies therein.

- V. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Companies shall also, under the provisions of Section 232 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company 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 debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause. However, the Transferee Companies may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Companies or in favour of any other party to the contract or arrangement to which the Transferor Companies is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies as well as to implement and carry out all such formalities and compliances referred to above.
- VI. With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licences (including but not limited to Industrial licences, Pollution Authorities, Fire safety, Electrical Inspectorate, EPCG licence), if any, accreditations to trade and industrial bodies, privileges, powers, facilities, subsidies, rehabilitation Schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Transferor Companies, or to the benefit of which the Transferor Companies may be eligible, or having effect immediately before the Effective Date, shall be, and remain in, full force and effect in favour of the Transferee Company, and may be enforced fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a beneficiary thereto.
- VII. Loans or other obligations, if any, due between the Transferor Companies and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any Shares, securities, debentures or notes issued by the Transferor Companies, and held by the Transferee Company and vice versa, the



same shall, unless sold or transferred by the said Transferor Companies or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Companies or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

- VIII. Where any of the liabilities and obligations/assets attributed to the Transferor Companies on the Appointed Date has been discharged / sold by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge/ sale shall be deemed to have been for and on behalf of the Transferee Company.
- IX. From the effective date and till such time that the names of the bank accounts of the Transferor Companies are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies, in its name, in so far as may be necessary.

8. SUMMARY OF VALUATION REPORT AND FAIRNESS OPINION:

- I. The Valuation Report has been provided by M/s. Rangarajan & Co, Chartered Accountants for the purpose of this Amalgamation.
- II. The Valuation of shares of Transferor Company – 1 and Transferee Company has been determined based on the following methodologies :
 - Net Asset Value Method
 - Discounted Cash Flow Method
 - Market Price Method
- III. The Fairness Opinion has been obtained from Vivro Financial Services Private Limited, Category – I Merchant Banker registered with the Securities Exchange Board of India as per the Regulations stipulated under the SEBI (Listing Obligation and Disclosure Requirement), 2015 and Bombay Stock Exchange(BSE).

9. DETAILS OF CAPITAL/DEBT RESTRUCTURING:

1. Upon the Scheme coming into effect, 46,97,010 Equity Shares of Rs. 10/- each held by the Transferor Company -1 in Transferee Company shall stand cancelled automatically.
2. Since the Transferor Company – 2 is the wholly-owned subsidiary of the Transferee Company, 10,00,000 Equity Shares of Rs. 10/- each held by the Transferee Company in Transferor Company – 2 shall also stand cancelled automatically.
3. Upon the Scheme coming into effect, 2,00,000 9% Redeemable Non- cumulative and Non- convertible Preference Shares of Rs. 100/- each held by the Transferor Company – 1 in Transferor Company – 2 shall stand cancelled.
4. The Authorised Share Capital of the Transferee Company shall stand combined with the Authorised Share Capital of the Transferor Companies



5. Upon the Scheme becoming fully effective, the Transferee Company shall allot;
- 54,60,192 Equity shares of Rs. 10/- each to the Shareholders of the Transferor Company – 1 as per the Share Exchange Ratio (1.5:1) i.e., 3 (Three) Equity Shares of Transferee Company (National Fittings Limited) for every 2 (Two) Equity Shares of Rs. 10/- each as fully paid up held by the shareholders of the Transferor Company – 1 (Interfit India Limited) and
 - 4,00,000 9% Non-Cumulative, Non-convertible, Redeemable Preference shares of Rs. 100/- each to the Preference Shareholders of the Transferor Company – 2 (Merit Industries Limited).

10. RATIONALE FOR THE COMPROMISE AND ARRANGEMENT:

The parties involved in the Scheme of Amalgamation as stated supra are engaged in the same or similar line of business and there is a synergy in the operational activities of these Companies. The economies of scale, optimum utilization of man power and material resources can be advantageously used for the combined entity thereby increasing the value of stakeholders in the years to come.

11. BENEFITS OF THE COMPROMISE OR ARRANGEMENT AS PERCEIVED BY THE BOARD OF DIRECTORS TO THE COMPANY, MEMBERS, CREDITORS AND OTHERS (AS APPLICABLE):

- Amalgamation enables the combined pooling of operational, financial and other resources of the Companies together for deriving optimum benefits. There would therefore, be better operational efficiency in utilization of the administrative, managerial, financial and other resources by one large Company leading to higher profitability and optimum utilization of resources.
- The amalgamation will result in increased financial strength, flexibility, better borrowing capability and enhance the ability of the amalgamated entity to expand its activities, thereby contributing to the enhancement of future business potential;
- Operational integration, co-ordination, synchronization, and planning will improve the overall performance. Operational synergy will lead to time and cost saving. The cost savings will substantially improve cash inflows providing valuable financial resources for modernization, expansion etc., which makes a Company remain competitive at all times in this technologically advanced Global space.
- The integration of administrative systems, centralized control over operational facilities, implementation of uniform management practices, accounting and financial systems as well as integration of employees of the Companies will create a strong, vibrant and versatile organization, with necessary size, capabilities and resources that would make it a globally competitive enterprise;
- The Scheme will not thus be prejudicial to the interest of the Creditors of neither the Transferor Companies nor the Transferee Company, since no compromise is entered



into between them and all the said & declared Liabilities would stand vested unto the Transferee Company without any compromise. The said Scheme if approved will not be prejudicial to the any of the Shareholders of the Transferor Companies and/or Transferee Company.

- The combined financial strength of the Transferee Company would be more than sufficient to meet the financial commitments of banks/financial institutions and to meet trade, operational creditors and other statutory liabilities of the merged entity.
- As a whole, the Amalgamation will be in the best interests of all the stakeholders, i.e. Shareholders, creditors, banks, financial institutions employee's et al.

12. AMOUNT DUE TO UNSECURED CREDITORS:

Transferor Company – 1 = Rs. 2,17,41,637/-

Transferor Company – 2 = Rs. 71,61,381/-

Applicant/Transferee Company = Rs. 1,83,36,867/-

13. DISCLOSURE ABOUT THE EFFECT OF THE COMPROMISE OR ARRANGEMENT:

- There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferor(s) and Transferee Company. Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed there under) of the Transferor Companies and the Transferee Company and their respective relatives (as defined under the Act and rules framed there under) have any interest in the Scheme except to the extent of the equity shares and/or preference shares held by them in the Transferor(s) Companies and/or Transferee Company and to the extent that the said Director(s) are common director(s) of the Transferor Companies and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors.
- Further, no arrangement is sought to be entered into between the Transferor(s)/Transferee Company and its creditors. No liabilities of the creditors of the Transferor(s)/Transferee Company is being reduced or being extinguished under the Scheme.
- The Applicant/the Transferor Company – 1 does not have any Public Deposits or Debentures; hence there are no depositors, debenture holders, deposit trustee and debenture trustee.
- The employees engaged by the Transferor Companies shall continue to be employed by the Transferee Company. All the executives, staff, workmen, and other employees in the service of the Transferor Companies, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:
 - a) Their services have been continuous and not been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;



- b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall continue as applicable to them before the transfer;
- c) In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
- d) It is provided that the existing Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferor Companies and Transferee Company shall continue on “**as is where is**” basis.

The other employee benefits including medical benefits etc., shall continue on existing basis followed by the respective Companies.

14. DISCLOSURE ABOUT EFFECT OF COMPROMISE OR ARRANGEMENT ON MATERIAL INTERESTS OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND DEBENTURE TRUSTEE:

The Scheme of Compromise or Arrangement does not have any effect on the material interests of Directors, Key Managerial Personnel of Transferor Companies and Transferee Company. The Transferor Companies and Transferee Company does not have a debenture trustee as no debentures were issued.

15. INVESTIGATION OR PROCEEDINGS, IF ANY, PENDING AGAINST THE COMPANY UNDER THE ACT:

There are no investigations or proceedings pending against the Transferor Companies and Transferee Company under the Act.

16. DETAILS OF APPROVALS, SANCTIONS OR NO-OBJECTION(S), IF ANY, FORM REGULATORY OR ANY OTHER GOVERNMENT AUTHORITIES REQUIRED, RECEIVED OR PENDING FOR THE PURPOSE SCHEME OF COMPROMISE OR ARRANGEMENT:

Since the Transferee Company is a Listed Company listed in Bombay Stock Exchange, in-principle approval/No objection has been obtained from the designated stock exchange for the purpose of Scheme of Amalgamation.



NOTES:

- 1) **A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and such a Proxy need not be a member. The Proxy form duly stamped and executed should be deposited at the Registered Office of the Company at least forty-eight hours before the time fixed for the commencement of the meeting.**
- 2) Members/Proxies should bring the Attendance slip, duly filled in, to the meeting.
- 3) As per Section 105 of the Companies Act, 2013 and the rules made there under, a person can act as a proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. Equity Shareholder holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or equity shareholder.
- 4) During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company.
- 5) Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send a duly certified copy of the resolution passed by the Board of Directors or other Governing Body, authorising their representative(s) to attend and vote on their behalf at the Meeting.
- 6) The registered equity shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.
- 7) As per SEBI circular SEBI/LAD-NRO/GN/2018/24 dated 08th June 2018, BSE circular no. LIST/COMP/15/2018-19 dated 05th July, 2018 and NSE Ref. No NSE/CML/2018/26 dated 09th July, 2018 shareholders are advised to dematerialize their physical securities since requests for effecting transfer of physical securities (except in case of transmission or transposition of securities) shall not be permitted from 05th December 2018.
- 8) The Company has provided the facility of voting by remote e-voting (through e-voting services provided by National Securities Depository Limited (NSDL):so as to enable the equity shareholders to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Company to the Scheme will be carried out through (i) remote e-voting; and (ii) polling paper at the venue of the Meeting. More over this is also in compliance of Circular No. CFD/DIL3/CIR/2017/21 dated 10th day of March 2017 ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI"), inter alia, provides that approval of Public Shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through e-voting. The Company is pleased to provide to the members the facility to exercise their right to vote and the business may be transacted through e-Voting Services.
 - i) The facility for voting through Poll paper shall be made available at the NCLT convened Equity Shareholders Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through poll paper.
 - ii) The members who have cast their vote by remote e-voting prior to the NCLT convened Equity Shareholders Meeting may also attend the Meeting but shall not be entitled to cast their vote again.



- iii) The remote e-voting period commences on 2nd of December, 2018 (9:00 am) and ends on 4th December, 2018 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 28th November, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- iv) The process and manner for remote e-voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sundar@vmacs.co.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- v) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 28th November, 2018
- vi) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 28th November, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or info@skdc-consultants.com
- vii) A member may participate in the NCLT convened Equity Shareholders Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Meeting.
- viii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting through poll paper.
- ix) Mr. V Sundar, Practising Company Secretary (Membership No. F4542; COP No. 20920) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- x) The Chairman shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Polling Paper” for all those members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.
- xi) The Scrutinizer shall after the conclusion of voting at the, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Meeting a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- xii) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.nationalfitting.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- xiii) An advertisement about convening the Meeting will be published in English daily “Indian Express” (All India Edition) and Tamil translation thereof in Tamil daily “Dinamani” Tamil Nadu Edition.



NATIONAL FITTINGS LIMITED

IN THE NATIONAL COMPANY LAW TRIBUNAL,
SINGLE BENCH, CHENNAI

CA/194/CAA/2018
CA/195/CAA/2018
CA/196/CAA/2018

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of Scheme of Amalgamation

Between

M/s. Interfit India Limited

(Transferor Company-I)

And

M/s. Merit Industries Limited

(Transferor Company-II)

And

M/s. National Fittings Limited

(Transferee Company)

Order delivered on 2nd November, 2018

CORAM

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

For Applicant(s): Mr. V. Mahesh, PCS

ORDER

Per: CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

1. Under consideration are Application Nos. CA/194/CAA/2018, CA/195/CAA/2018 & CA/196/CAA/2018 filed under Sections 230 to 232 of the Companies Act,



2013. The prayer made is to conduct the meeting of equity shareholders of the Transferor Company-I and the Transferee Company and to dispense with the convening, holding and conducting of a meeting of the Equity and Preference Shareholders of the Transferor Company -II. It is also prayed to dispense with convening, holding and conducting of the meeting of the Secured and Unsecured Creditors of the Transferor Company -I, Transferor Company-II and the Transferee Company. All three Applications are pertaining to the same Scheme, therefore, are taken together to pass a common order.

2. M/s. Interfit India Limited:-

- i. The Transferor Company-I viz., M/s. Interfit India Limited has 991 (Nine Hundred and Ninety One) equity shareholders. The Auditor's certificate with this regard is placed at page 200 of the typed set filed with the Application.

The Applicants prayed to conduct a meeting through e-voting as per the applicable





provisions of the Companies Act, 2013 and also to convene a physical meeting at the Registered office of the Transferor Company-I. Therefore, the meeting of the Equity Shareholders of the Transferor Company-I is directed to be conducted on 05.12.2018 at the Registered Office of the Transferor Company-I, situated at 112/3D, Mathapur Road, Kaniyur Village, Palladam Taluk, Karumathampatti, Coimbatore-641659, Tamil Nadu at 12:00 A.M.

Mr. Muthusamy Loganathan (Director of the Transferor Company-I) is hereby appointed as the Chairman of the Meeting of the Equity Shareholders and Mr. V Sundar is hereby appointed as Scrutinizer for conducting the meeting. The quorum for meeting is fixed at 200. In case the quorum is not there at the designated time when the meeting is called, then, the meeting shall be adjourned by half an hour, and thereafter, the person present for voting shall be deemed to constitute the



quorum. The notice of the meeting of Equity Shareholder shall be issued not less than 30 days prior to the date fixed for meeting. The service of notice shall be effected by speed post/through electronic means, provided the e-mail address of the Equity shareholders is available with the Transferor Company-I.

The Transferor Company is also directed to make available the facility for voting by making appropriate arrangements including e-voting. The information about such arrangements shall be given to the Equity Shareholders well before the date fixed for the meeting. Those who received the notices may vote in the meeting either in person or through proxy for the adoption of the Scheme. The Chairman shall ensure that the proceedings of the meeting may take place in a just, free and fair manner, and within one week of the meeting, the Chairman shall file the report of the meeting of Equity Shareholders before this Bench. The Chairman





of the meeting is at liberty to fix his remuneration as per the practice in vogue and the company shall pay the same to him.

- ii. There is one secured creditor in relation to the Transferor Company-I. The Certificate issued by the Chartered Accountant to this effect is placed at page 202 of the typed set filed with the Application. The consent affidavit given by the secured creditor is placed at pages 204 to 207 of the typed set filed with the Application, wherein it has been deposed that he does support the Scheme. Therefore, the meeting of the secured creditor of the Transferor Company-I is allowed to be dispensed with.
- iii. There are 96 (Ninety Six) unsecured creditor in relation to the Transferor Company-I. The list of Unsecured Creditors and Certificate issued by the Chartered Accountant to this effect are placed at pages 208 to 215 of the typed set filed with the Application. Out of 96 Unsecured



Creditors, 40 have given their consent affidavits which constitute 90.06% of the total credit. The affidavits are filed separately as Memo in addition to the typed set filed with the Application, wherein it has been deposed that they do support the Scheme. Therefore, the meeting of the unsecured creditor of the Transferor Company-I is allowed to be dispensed with.

3. M/s. Merit Industries Limited:

- i. The Transferor Company-II viz., M/s. Merit Industries Limited has 7 Equity Shareholders and 3 Preference Shareholders. The Certificate issued by the Chartered Accountant to this effect is placed at page 198 of the typed set filed with the Application. The consent affidavits given by the equity shareholders and preference shareholders are placed at pages 200 to 216 of the typed set filed with the Application, wherein it has been deposed that they do support the





Scheme. Therefore, the meeting of the equity shareholders and preference shareholders of the Transferor Company-II is allowed to be dispensed with.

- ii. There is only one secured creditor in relation to the Transferor Company-II. The Certificate issued by the Chartered Accountant to this effect is placed at page 218 of the typed set filed with the Application. The consent affidavit given by the sole secured creditor is placed at pages 220 to 223 of the typed set filed with the Application, wherein it has been deposed that he does support the Scheme. Therefore, the meeting of the secured creditor of the Transferor Company-II is allowed to be dispensed with.

- iii. There are 63 unsecured creditors in the Transferor Company-II. The list of unsecured creditors and the Certificate issued by the Chartered Accountant to this effect are placed at



pages 224 to 231 of the typed set filed with this application. Out of 63 unsecured creditors, 25 constituting 90.73% of total credit, have given their consent affidavits which are filed as Memo in addition to the application, wherein it has been deposed that they do support the Scheme. Therefore, the meeting of the secured creditor of the Transferor Company-II is allowed to be dispensed with.

4. M/s. National Fittings Limited:

- i. The Transferee Company viz., M/s. National Fittings Limited has 5038 (Five Thousand Thirty Eight) equity shareholders. The Certificate issued by the Chartered Accountant to this effect placed at page 239 of the typed set filed with the Application. The Applicants prayed to fix a date for conducting the meeting of the Equity Shareholders of the Transferee Company and also to direct the Transferee Company to provide an option to vote through





electronic means as per the conditions laid down by the designated Stock Exchange, BSE.

Therefore, the meeting of the Equity Shareholders of the Transferee Company is directed to be conducted on 05.12.2018 at the Registered Office of the Transferee Company, situated at SF 112 Mathapur Road, Kaniyur Village, Palladam Taluk, Karumathampatti, Coimbatore-641659, Tamil Nadu at 11:00 A.M.

Mr. A V Palaniswamy (Managing Director of the Transferee Company) is hereby appointed as the Chairman of the Meeting of the Equity Shareholders and Mr. V Sundar, PCS is hereby appointed as Scrutinizer for conducting the meeting. The quorum for meeting is fixed at 1000. In case the quorum is not there at the designated time when the meeting is called, then, the meeting shall be adjourned by half an hour, and thereafter, the person present for voting shall be deemed to constitute the



quorum. The notice of the meeting of Equity Shareholder shall be issued at least not less than 30 days prior to the date fixed for meeting. The service of notice shall be effected by speed post/through electronic means, provided the e-mail address of the Equity shareholders is available with the Transferee Company.

The Transferee Company is also directed to make available the facility for voting by making appropriate arrangements including e-voting. The information about such arrangements shall be given to the Equity Shareholders well before the date fixed for the meeting. Those who received the notices may vote in the meeting either in person or through proxy for the adoption of the Scheme. The Chairman shall ensure that the proceedings of the meeting may take place in a just, free and fair manner, and within one week of the meeting, the Chairman shall file the report of the meeting of Equity





Shareholders before this Bench. The Chairman of the meeting is at liberty to fix his remuneration as per the practice in vogue and the company shall pay the same to him.

ii. There is only one secured creditors in the Transferee Company. The Certificate issued by the Chartered Accountant to this effect is placed at page 241 of the typed set filed with this application. The consent affidavit given by the sole secured creditor is placed at page 243 of the typed set filed with the Application, wherein it has been deposed that he does support the Scheme. Therefore, the meeting of the secured creditor of the Transferor Company-II is allowed to be dispensed with.

iii. There are 112 unsecured creditors in the Transferee Company. The Certificate issued by the Chartered Accountant to this effect is placed at page 247 of the typed set filed with this application. Out of 112 unsecured creditors, 36 constituting, 90.18% have given their consent



affidavits which are filed as Memo in addition to the application, wherein it has been deposited that they do support the Scheme. Therefore, the meeting of the unsecured creditor of the Transferee Company is allowed to be dispensed with.

4. The Registry is directed to issue notice to the Registrar of Companies, Coimbatore, Regional Director, (SR), the respective Income Tax offices including assessing officers of the I.T. Circle, Reserve Bank of India (RBI), in relation to the Applicant Companies separately and also notice to the Official Liquidator in relation to the Transferor Company-I and the Transferor Company-II with the direction to appoint Chartered Accountant on his own for filing report. Since the Bombay Stock Exchange (BSE) has issued 'No Objection Letter' dated 03.09.2018 to the Transferee Company as per Section 230(5) of the Companies Act, there is no requirement to send notice to the BSE. In case, the statutory authorities to whom the notice is issued are desirous of making any





objection/representation, they may do so within 30 days from the date of receipt of the notice. In case no objection/representation is made, it shall be presumed that they/any of them have/has no objection/representation to make.

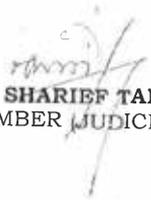
5. The Applicant Companies are directed to issue private notice to the said authorities/regulators by way of speed post/hand delivery separately. The proof of sending and effecting the service of notice upon them along with the newspaper publication shall be submitted with the supporting affidavit to this Bench along with Company Petition(s).

6. The Applicant Companies are directed to effect publication separately in the newspapers one in English "Indian Express" (All India Edition) and another in vernacular "Dina Mani" (Tamilnadu Edition) provided the said newspapers have wide circulation in the State of Tamilnadu, on or before 09.11.2018. The Applicant Companies are directed to upload the notice on their websites and display the notice on the notice



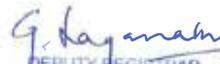
board at the Registered Office of their respective companies. The Registry is also directed to display the notice on the notice board of this Bench.

7. After one week from the date of submission of the reports by the Chairman, the Applicant Companies may present the Company Petition(s). Accordingly the Applications stand **disposed of**.


[CH. MOHD. SHARIEF TARIQ]
MEMBER (JUDICIAL)



Certified to be True Copy


DEPUTY REGISTRAR 8/11/18
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR
29, RAJAJI SALAI, CHENNAI-600001

VISHNU



NATIONAL FITTINGS LIMITED

SCHEME OF AMALGAMATION

OF

INTERFIT INDIA LIMITED

AND

MERIT INDUSTRIES LIMITED

WITH

NATIONAL FITTINGS LIMITED

AND THEIR RESPECTIVE EQUITY SHAREHOLDERS

(Under Section 61, 66 and 230 to 233 of the Companies Act, 2013)

PART I – GENERAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein:

- 1.1 **“Act”** means the Companies Act, 2013 with any statutory modification or re-enactment thereof;
- 1.2 **“Appointed Date”** means the date from which this Scheme shall become operative **viz., 01st April 2017** or if the Board of Directors of the Transferor Companies and the Transferee Company require any other date prior or subsequent date and/or Tribunal modifies the Appointed Date to such other date, then the same shall be the Appointed Date;
- 1.3 **“IIL”** or **“Transferor Company 1”** means **Interfit India Limited**, a Company incorporated under the Companies Act, 1956 and having its registered office at 112/3D Mathapur Road, Kaniyur Village, Palladam Taluk Karumathampatti, Coimbatore - 641659, Tamil Nadu; IIL is the Holding Company of NFL (Transferee Company)
- 1.4 **“MIL”** or **“Transferor Company 2”** means **Merit Industries Limited**, a Company incorporated under the Companies Act, 1956 and having its registered office at No 26, Damu Nagar, Coimbatore - 641045, Tamil Nadu; MIL is the Wholly Owned Subsidiary of NFL (Transferee Company).



- 1.5 “**NFL**” or “**Transferee Company**” means **National Fittings Limited**, a Company Incorporated under the Companies Act, 1956 and having its registered office at SF 112 Mathapur Road, Kaniyur Village, Karumathampatty, Coimbatore - 641659, Tamil Nadu. NFL is the subsidiary of IIL (Transferor Company – 1);
- 1.6 “**Tribunal**” means the Hon’ble National Company Law Tribunal or such other Court / Tribunal empowered to sanction the Scheme as per the provisions of the Act;
- 1.7 “**Effective Date**” means the date or last of the dates on which the certified copy of the Order of the Tribunal sanctioning this Scheme is filed with the concerned Registrar of Companies by the Transferor Companies and the Transferee Company;
- 1.8 “**Board**” means Board of Directors;
- 1.9 “**Scheme of Amalgamation**” or “**Scheme**” or “**The Scheme**” or “**This Scheme**” means this Scheme of Amalgamation as per the provisions of Section 61, 66 and 230 to 233 of the Companies Act, 2013 read with the applicable Rules thereon, between Transferor Companies and Transferee Company and their respective Equity and preference Shareholders inter se in its present form or with any modification(s) approved, imposed, or as directed by the Tribunal;
- 1.10 “**Share Capital**” means Equity Share Capital and Preference Share capital;
- 1.11 “**Undertaking**” shall mean and include –
- a) All the assets and properties of the Transferor Companies including the interest accruing out of the assets as on the Appointed Date (hereinafter referred to as a “the said assets”); The details of the immovable properties with their relevant survey numbers and extent of Land is given in **Schedule - A** and which shall form part and parcel of this Scheme.
 - b) All the debts, liabilities, duties and obligations of the Transferor Companies including contingent liabilities as on the Appointed Date (hereinafter referred to as “the said liabilities”);
 - c) Without prejudice to the generality of sub-clause (a) above, the Undertaking of the Transferor Companies shall include the Transferor Companies’ reserves by whatever name called, balances in the Profit and Loss Accounts, movable and immovable properties including Computers, hardware, software, plant and machinery, equipments, furniture, fixtures, vehicles, stock and inventories, leasehold assets, real corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Companies, investments, claims, powers, authorities, allotments, approvals, consents, investments, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses, permits, authorizations, quota rights, trademarks, trade names,



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patents copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for patents, patent rights, trademarks, trade names, copyrights whether tangible or otherwise and licenses, assignments and grants in respect thereof, import quotas, and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities connections, installations and equipment, rights, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, reserves, provisions, funds, and benefits of all agreements, arrangements, Loans and Advances, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., cash and bank balances, all earnest monies, tax holidays, tax relief under the Income-tax Act, 1961 such as credit for advance and/or deposits, rights, titles, claims and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature including but not limited to benefits of all tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation etc, interest accruing out of the assets of the Company, benefits under the Sales Tax Act, sales tax set off, benefits of any unutilized MODVAT/CENVAT credits, Goods and Services Act, Relief and Refund etc. and where so ever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favor of or enjoyed by the Transferor Companies as on the Appointed Date and thereafter.

- 1.12 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and bye-laws as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. CAPITAL STRUCTURE

- 2.1. The Capital Structure of the Transferor Company - 1 as on the date of this Scheme is as under:

PARTICULARS	Amount (In Rs.)
AUTHORISED:	
38,00,000 Equity Shares of Rs.10/- each	3,80,00,000
4,20,000 Preference Shares of Rs. 100/- each	4,20,00,000
ISSUED, SUBSCRIBED AND PAID-UP:	
36,40,128 Equity Shares of Rs.10/- each	3,64,01,280



2.2 The Capital Structure of the Transferor Company - 2 as on the date of this Scheme is as under:

PARTICULARS	Amount (In Rs.)
AUTHORISED:	
12,50,000 Equity Shares of Rs.10/- each	1,25,00,000
6,50,000 Preference Shares of Rs. 100/- each	6,50,00,000
ISSUED, SUBSCRIBED AND PAID-UP:	
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000
6,00,000 9 % Redeemable Non- Cumulative Non-convertible Preference Shares of Rs. 100/- each	6,00,00,000

2.3 The Capital Structure of the Transferee Company as on the date of this Scheme is as under:

PARTICULARS	Amount (In Rs.)
AUTHORISED:	
87,50,000 Equity Shares of Rs. 10/- each	8,75,00,000
5,00,000 Preference Shares of Rs. 100/- each	5,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP:	
83,20,000 Equity Shares of Rs. 10/- each	8,32,00,000

As on date of approval of this Scheme, by the respective Boards Directors of the Transferor Companies and Transferee Company, there is no change in the Authorised, Issued and Paid up Capital in respect of both Equity Share Capital as well as Preference Share Capital of the Transferor and Transferee Companies, from the above.

PART II – PREAMBLE & RATIONALE

PREAMBLE

This Scheme of Amalgamation is being mainly conceived and proposed by the respective Board of Directors of the Transferor Company(ies) and Transferee Company, to consolidate the group entities and beneficially combine the existing products, manufacturing facilities and optimum utilization of



NATIONAL FITTINGS LIMITED

Human resources all under one roof and under single management. There is intense competition for the products manufactured by these entities i.e., Transferor Company 1 and 2 and Transferee Company due to cheaper imports from overseas sources. Unless consolidation of these entities is completed, cost effective measures and benefits of large scale economies are adopted, there would be drastic erosion in the turnover and profits of these entities. Hence, it is imperative in the interest of all stakeholders that these entities be combined into a single entity for sustainable growth in terms of revenue and profits. It is also to be noted that the product manufactured by these entities are inter related / inter connected thereby substantial advantages can accrue in terms of GST input credit and standardization of cost and the managerial supervision would also be optimally used for the overall benefits in the combined entity. The **Appointed Date** for the merger shall be **01.04.2017** or such other date as may be approved by the Hon'ble NCLT.

BACKGROUND AND RATIONALE FOR THE AMALGAMATION

- 3.1 The Transferor Company – 1 viz., Interfit India Limited is a Public Limited Company which is in existence since 1982 and is mainly engaged in the business of manufacturing castings for Pipe Fittings for Fire Protection and HVAC industries.
- 3.2 The only client / customer of Transferor -1 Company is Transferee Company NFL, which is a subsidiary of Transferor -1 Company. The Transferee Company is a listed entity with a good track record of profitability and dividend distribution to its Shareholders.
- 3.3 MIL, Transferor Company - 2 is the wholly owned subsidiary of Transferee Company as on date and is mainly engaged in the business of manufacturing castings.

All the 3 Companies, as stated supra are engaged in the same or similar line of business and there is a synergy in the operational activities of these Companies. It is reiterated the economies of scale, optimum utilisation of man power and material resources can be advantageously used for the combined entity thereby increasing the value of stakeholders in the years to come.

- 3.4 The Scheme of Amalgamation envisaged would greatly enhance the value proposition to Shareholders, creditors, employees and the stakeholders connected with these Companies.
- 3.5 All the 3 Companies are managed by the same Promoter and as such managerial control and supervision would become convenient and there would an ease in administrative and management decision.
- 3.6 The Board of Directors of the Transferor Company(ies) – 1 & 2 and Transferee Company envisage the following benefits arising from this amalgamation:
 - 3.6.1 Amalgamation enables the combined pooling of operational, financial and other resources of the Companies together for deriving optimum benefits. There would therefore, be better operational efficiency in utilization of the administrative,



managerial, financial and other resources by one large Company leading to higher profitability and optimum utilization of resources.

- 3.6.2 The amalgamation will result in increased financial strength, flexibility, better borrowing capability and enhance the ability of the amalgamated entity to expand its activities, thereby contributing to the enhancement of future business potential;
- 3.6.3 Operational integration, co-ordination, synchronization, and planning will improve the overall performance. Operational synergy will lead to time and cost saving. The cost savings will substantially improve cash inflows providing valuable financial resources for modernization, expansion etc., which makes a Company remain competitive at all times in this technologically advanced Global space.
- 3.6.4 The integration of administrative systems, centralized control over operational facilities, implementation of uniform management practices, accounting and financial systems as well as integration of employees of the Companies will create a strong, vibrant and versatile organization, with necessary size, capabilities and resources that would make it a globally competitive enterprise;
- 3.6.5 The Scheme does not provide for any compromise with creditors, both secured and unsecured, of any of the Companies involved and also does not affect the interests and rights of the creditors of the concerned Transferor Companies and Transferee Company in any manner whatsoever;
- 3.6.6 The Scheme will not thus be prejudicial to the interest of the Creditors of neither the Transferor Companies nor the Transferee Company, since no compromise is entered into between them and all the said & declared Liabilities would stand vested unto the Transferee Company without any compromise. The said Scheme if approved will not be prejudicial to the any of the Shareholders of the Transferor Companies and/or Transferee Company.
- 3.7 The combined financial strength of the Transferee Company would be more than sufficient to meet the financial commitments of banks/financial institutions and to meet trade, operational creditors and other statutory liabilities of the merged entity.
- 3.8 As a whole, the Amalgamation will be in the best interests of all the stakeholders, i.e. Shareholders, creditors, banks, financial institutions employee's et al.

PART III – TRANSFER AND VESTING

4. TRANSFER OF UNDERTAKING

- 4.1 The Undertaking/s shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:



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- (a) With effect from the Appointed Date but effective from the date of filing of the Approved Scheme of Amalgamation with the Statutory Authorities, the whole of the Undertaking of the Transferor Companies comprising their entire business, all assets and liabilities of whatsoever nature and where so ever situated, including the immovable properties, if any, shall, under the provisions of Section 232 read with all other applicable provisions, if any, of the Act, without any further Act or Deed (save as provided in Sub-clauses (b), (c) and (d) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Companies therein.

Provided that for the purpose of giving effect to the vesting, Order passed under Sections 61, 66 and 230 to 233 of the Act in respect of this Scheme, the Transferee Company shall at any time pursuant to the Orders on this Scheme, be entitled to get the record of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Companies in accordance with the provisions of Sections 61, 66 and 230 to 233 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

The immoveable properties of the Transferor 1 and 2 Companies shall vest with the Transferee Company upon the Scheme being approved by the Hon'ble NCLT and the details of the property of the Transferor Companies are detailed in **Schedule A**

- (b) All movable assets including cash in hand, if any, of the Transferor Companies, capable of passing by physical delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company, such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Companies and the Transferee Company or the date as may be directed by the Tribunal.
- (c) In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:
- (i) The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or deposittee as the case may be, that pursuant to the Tribunal having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the respective Transferor Companies to recover or realize the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;
- (ii) The Transferor Companies shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or deposittee that pursuant to the Tribunal



having sanctioned the Scheme, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Companies to recover or realize the same stands extinguished.

- (d) In relation to the assets, if any, belonging to the Transferor Companies, which require separate documents of transfer, the respective Transferor Companies and the Transferee Company will execute necessary documents, as and when required.
- (e) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Companies shall also, under the provisions of Section 232 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company 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 debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause. However, the Transferee Companies may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Companies or in favour of any other party to the contract or arrangement to which the Transferor Companies is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies as well as to implement and carry out all such formalities and compliances referred to above.
- (f) The transfer and vesting of the undertaking of the Transferor Companies as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the respective Transferor Companies.

Provided however that any reference in any security documents or arrangements (to which any Transferor Companies is a party) pertaining to the assets of the Transferor Companies 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 the undertaking of the said Transferor Companies as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend to any of the other assets of the said Transferor Companies or any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Companies vested in the Transferee Company.



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Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Companies with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore, after the amalgamation has become operative.

- (g) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licences (including but not limited to Industrial licences, Pollution Authorities, Fire safety, Electrical Inspectorate, EPCG licence), if any, accreditations to trade and industrial bodies, privileges, powers, facilities, subsidies, rehabilitation Schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Transferor Companies, or to the benefit of which the Transferor Companies may be eligible, or having effect immediately before the Effective Date, shall be, and remain in, full force and effect in favour of the Transferee Company, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary thereto.
- (h) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Companies are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.
- (i) Loans or other obligations, if any, due between the Transferor Companies and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any Shares, securities, debentures or notes issued by the Transferor Companies, and held by the Transferee Company and vice versa, the same shall, unless sold or transferred by the said Transferor Companies or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Companies or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
- (j) The Transferor Companies shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of immovable property, if any, is given to the Transferee Company.
- (k) Where any of the liabilities and obligations/assets attributed to the Transferor Companies on the Appointed Date has been discharged / sold by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.
- (l) From the effective date and till such time that the names of the bank accounts of the Transferor Companies are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies, in its name, in so far as may be necessary.



5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 5.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature to which the Transferor Companies is a party, subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Companies, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmation or enter into any arrangement, confirmation or novations to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.
- 5.2 As a consequence of the Amalgamation of the Transferor Companies with the Transferee Company and in accordance with this Scheme, the recording of change in name from the Transferor Companies to the Transferee Company if any, 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.
- 5.3 The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Companies is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Companies, as the case may be, to be carried out or performed.
- 5.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Companies without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Companies are a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Companies shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

6. LEGAL PROCEEDINGS

- 6.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Companies on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Companies, as the case may be.



- 6.2 If proceedings are taken against any Transferor Companies, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date, and the latter shall reimburse and indemnify the Transferor Companies, against all liabilities and obligations incurred by the said Transferor Companies in respect thereof.

7. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

- 7.1 All the executives, staff, workmen, and other employees in the service of the Transferor Companies, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:
- a) Their services have been continuous and not been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;
 - b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall continue as applicable to them before the transfer;
 - c) In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
 - d) It is provided that the existing Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferor Companies and Transferee Company shall continue on "**as is where is**" basis.

The other employee benefits including medical benefits etc., shall continue on existing basis followed by the respective Companies.

Notwithstanding what is stated herein above in respect of applicability of Employees Provident Fund to the employees of Transferor Companies with retrospective effect from a date to be determined by the Board of Directors of Transferee Company, the extension of benefit to the employees of Transferor Companies shall be subject to the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the approvals of the appropriate Authorities concerned for giving effect to the implementation date.

8. SAVING OF CONCLUDED TRANSACTIONS

The transfer of undertaking under Clause 4 above, the continuance of the effectiveness of contracts and deeds under Clause 5 above and legal proceedings by or against the Transferee Company under Clause 6 above and shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Companies on or before the Appointed Date and after the Appointed Date till the Effective Date, to the



end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

9. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANIES TILL EFFECTIVE DATE

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

- 9.1 The Transferor Companies shall carry on, and be deemed to have been carrying on, all or any business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- 9.2 All profits or income or taxes, including but not limited to income-tax, advance taxes, tax deducted at source by or on behalf of the Transferor Companies, wealth tax, sales tax, Goods and Services Act (yet to be implemented) Tax, value added tax, excise duty, service tax, customs duty, refund, reliefs, etc, accruing or arising to the Transferor Companies, or losses arising or expenditure incurred by them, on and from Appointed Date up to the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.
- 9.3 The Transferor Companies shall carry on their business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose of any of their business undertaking(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Companies prior to the Appointed Date).-
- 9.4 The Transferor Companies shall also be entitled to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities viz., Income Tax department, Registrar of Companies, Regional Director, Reserve Bank of India and such other Authorities, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for the time being in force for carrying on business by the Transferee Company. As the Transferee Company is a listed entity, the approvals from the Securities Exchange Board of India (SEBI) and Bombay Stock Exchange Limited shall also need to be obtained and the necessary disclosures as per the applicable provisions of SEBI (Listing Obligation & Disclosure Requirements) Regulations (LODR), SEBI (Prohibition of Insider Trading) Regulations and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations shall also be made.
- 9.5 The Transferor Companies shall not make any modification to their capital structure, either by an increase (by issue of rights Shares, bonus Shares, convertible debentures or otherwise), decrease, reclassification, sub-division or reorganisation in any other manner, whatsoever, except by mutual consent of the Boards of Directors of the Transferor Companies and of the Transferee Company.



9.6 The Transferor Companies shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

10 CANCELLATION / REDUCTION OF SHARE CAPITAL

10.1 Equity Shares

- 10.1.1. Upon the Scheme coming into effect, 46,97,010 Equity Shares of Rs. 10/- each held by the Transferor Company -1 in Transferee Company shall stand cancelled automatically.
- 10.1.2. Since the Transferor Company – 2 is the wholly-owned subsidiary of the Transferee Company, 10,00,000 Equity Shares of Rs. 10/- each held by the Transferee Company in Transferor Company – 2 shall also stand cancelled automatically.

10.2 Preference Shares

- 10.2.1. Upon the Scheme coming into effect, 2,00,000 9% Redeemable Non- cumulative and Non- convertible Preference Shares of Rs. 100/- each held by the Transferor Company – 1 in Transferor Company – 2 shall stand cancelled.

The Equity Shares and the Preference Shares held by the Transferor Company - 1 in Transferee and in Transferor Company - 2 respectively shall stand cancelled as stated above without any further application, act or deed, as the Transferor Companies cease to exist and the said cancellation shall amount to reduction of Share Capital to that extent in pursuance to this Scheme of Amalgamation and no new Shares shall be issued by the Transferee Company in respect of these cancelled Shares, both Equity and Preference.

11 AUTHORISED SHARE CAPITAL

EQUITY

- 11.1 Upon the Scheme becoming fully effective, the Authorised Share Capital of the Transferee Company shall stand combined with the Authorised Share Capital of the Transferor Companies. Filing fees and stamp duty, if any, paid by the Transferor Companies on their respective authorised Share capital, shall be deemed to have been so paid by the Transferee Company on the combined Authorised Share Capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased Authorised Share capital.
- 11.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61 and 230-233 of the Companies Act 2013 and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:



“V A. The Authorised Share Capital of the Company shall be Rs. 29,50,00,000/- (Rupees Twenty nine Crores fifty lakhs only) divided into:

- a) Rs. 24,50,00,000/- (Rupees Twenty Four Crores fifty lakhs only) divided into 2,45,00,000 (Two Crores and forty five lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each**
- b) Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 5,00,000 (Five Lakhs) Preference Shares of Rs.100/- (Rupees Hundred Only) each**

Subject to such increase/decrease/consolidation/subdivision or otherwise dealt with in accordance with the provisions of Companies Act, 2013 and statutory regulations for the time being in force in this regard.

B. The Company shall have the power to increase the said capital and to issue any Shares in the original or new capital with any preferential rights, privileges, conditions or advantages over or as compared with any Shares previously issued or to be thereafter issued whether in respect of dividend or repayment of capital or both and whether with any special rights of voting or without any right of voting and generally on such terms as the Company may from time to time by Special Resolution determine, but so nevertheless that in the event of the Company (including the original Capital) being or becoming divided into shares of different classes, the rights of privileges attached to any class may be affected, altered, modified or dealt with only in accordance with the provisions in that behalf contained in the Articles of Association of the Company for the time being.

11.3 The Authorised Capital of the **Merged Company** would be as follows:

AUTHORISED:	
2,45,00,000 Equity Shares of Rs. 10/- each	Rs. 24,50,00,000
5,00,000 Preference Shares of Rs. 100/- each	Rs. 5,00,00,000

11.4 The approval of this Scheme under Sections 61, 66 and 230 to 233 of the Act shall be deemed to have the approval under applicable provisions of the Companies Act 2013 and any other consents and approvals required in this regard. The sanction of the Tribunal under Sections 61, 66 and 230 to 233 of the Act for the Scheme shall consequentially deemed to be a sanction under any other applicable provisions of the Act.

12 CONSIDERATION AND PAID UP SHARE CAPITAL

12.1 EQUITY SHARE CAPITAL

12.1.1. The Valuation Report or Share Exchange Ratio report has been prepared by M/s. Rangarajan & Co, Chartered Accountants for the purpose of this Scheme of



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Amalgamation. The Board of Directors of the Transferor Companies and Transferee Company have passed and approved the same unanimously in their respective Boards and given their consent to the Share Exchange Ratio of 3 (Three) Equity Shares for every 2 (Two) Equity Shares, of Rs 10/- each as fully paid up (1.5:1) based on the Share Valuation Report.

- 12.1.2. Upon the Scheme becoming finally effective, that in consideration of the transfer and vesting of the undertaking of the Transferor Companies in the Transferee Company in terms of the Scheme, the Transferee Company shall without any further act or deed, issue and allot to every member of the Transferor Company - 1, 3 (Three) Equity Shares for every 2 (Two) Equity Shares, of Rs 10/- each as fully paid up (1.5 : 1 as mentioned in the valuation report) held in the Transferor Company – 1. The fractional number of shares, if any, shall be rounded off to the nearest number of shares for the purpose of allotment to the shareholders.

The additional Equity Shares to be issued by Transferee Company to the shareholders of Transferor Company – 1 as per the Share Exchange Ratio (1.5: 1) is tabled below:

S. No	Category of shareholders	No of shares
1	Promoter	7,78,540
2	Directors & relatives	1,86,160
3	Non Resident Indians	1,08,827
4	Body Corporates	1,30,460
5	Individuals upto Rs. 1 lac	3,68,290
6	Individuals more than Rs. 1 lac	2,18,237
7	Hindu Undivided Families	29,550
	TOTAL ADDITIONAL SHARES	18,20,064

The post-merger Share Capital (Equity and Preference) and the list of Shareholders (Equity and Preference) of the Transferee Company have been enclosed in **Schedule B**.

- 12.1.1. The Equity Shares to be issued and allotted by the Transferee Company as aforesaid in terms of this Scheme shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company but shall not rank for dividend for the period prior to the date of their allotment. The pre and post Shareholding pattern of the Promoters has been enclosed in **Schedule – C**.



12.2 PREFERENCE SHARE CAPITAL

- 12.1.1 There are two Shareholders each holding 2,00,000 9% Redeemable Non- Cumulative Non-convertible Preference Shares of Rs.100/- each in Transferor Company – 2. These Preference Shareholders shall continue to hold the same number of Shares with similar rights as per the terms of issue of the said Shares in the Transferee Company.
- 12.1.2 The Transferee Company shall redeem the 4,00,000 9 % Redeemable Non- Cumulative Non-convertible Preference Shares of Rs. 100/- each, as per the terms of issue of the said Shares, out of the distributable profits of the Transferee Company or out of the proceeds of a fresh issue of shares made for the purposes of such redemption in due compliance with the provisions of the Act.

12.3 PAID UP SHARE CAPITAL

The Paid up Share Capital of the **Merged Company** would be as follows:

ISSUED, SUBSCRIBED AND PAID-UP:	
90,83,182 Equity Shares of Rs. 10/- each	Rs. 9,08,31,820
4,00,000 9 % Redeemable Non- Cumulative Non-convertible Preference Shares of Rs. 100/- each	Rs. 4,00,00,000

12.4 FAIRNESS OPINION

The Fairness Opinion has been obtained from Vivro Financial Services Private Limited, Category – I Merchant Banker registered with the Securities Exchange Board of India as per the Regulations stipulated under the SEBI (Listing Obligation and Disclosure Requirement), 2015 and Bombay Stock Exchange(BSE).

12.5 AUDITOR CERTIFICATE

M/s V. Krish and Associates, Chartered Accountants, the Statutory Auditors of the Transferee Company has certified that the Accounting treatment of Amalgamation is in compliance with the AS – 14 and IND AS – 103 – Accounting for Business Combinations.

12.6 RECORD DATE

Record date shall be the date on which the Scheme is approved by the Adjudicating Authority and filed with the Registrar of Companies and approved by them. It is also subject to the approval or compliances if any and as may be stipulated by the Bombay Stock Exchange (BSE).



13. LISTING AND TRADING

The Transferee Company i.e., Merged entity would take such necessary steps as may be required or considered necessary to comply with the listing and trading requirements as may be stipulated by the BSE as per the SEBI (LODR) Regulations existing as on that date.

- 13.1 Upon the Scheme coming into effect, the Equity Shares allotted to the Shareholders of the Transferor Company shall be listed in the Bombay Stock Exchange subject to the approval from the Bombay Stock Exchange (BSE) and any other authorities as may be necessary. The Listing agreement shall be also be modified and such fee as may be required shall be paid to the merged entity pursuant to the merger.
- 13.2 The approval of this Scheme under Sections 61, 66 and 230 to 233 of the Act shall be deemed to have the approval under applicable provisions of the Companies Act 2013 and any other consents and approvals required in this regard. The sanction of the Tribunal under Sections 61, 66 and 230 to 233 of the Act for the Scheme shall consequentially deemed to be a sanction under any other applicable provisions of the Act.

14. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

- 14.1 On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as per the “Pooling of Interest Method” of Accounting prescribed under the AS – 14 read with IND AS 103 – Accounting for Business Combinations issued by the Institute of Chartered Accountants of India such that –
- i) The Fixed Assets including immoveable properties, recorded in the books of the Transferor Companies shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the book values (except for adjustments required to have uniform accounting policies) and approved in respect of the Companies.
 - ii) All assets and liabilities (other than Fixed Assets), recorded in the books of the Transferor Companies shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Companies at the book values of the assets and Liabilities of the Transferor Company except in situations where uniformity in Accounting Policies must be ensured;
 - iii) The excess of, or deficit in, the amount recorded as share capital issued by the Transferee Company (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the Transferor Companies shall be adjusted in Reserves, in the financial statements of the Transferee Company, as per the principles laid down in the AS – 14 - Accounting for Amalgamation read with IND AS – 103 – Accounting for Business Combinations as prescribed by the Institute of Chartered Accountants of India.



- 14.2 The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Companies. The difference between the amount recorded as Share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of Share capital of the Transferor Companies, if any, shall be adjusted in reserves in the financial statements of the Transferee Companies.
- 14.3 Further, in case of any differences in accounting policy between the Companies, the impact of the same till the amalgamation will be quantified and adjusted in the Profit & Loss Account mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 14.4 To the extent that there are inter-Company loans, investments, deposits or balances, if any, as between or amongst the Transferor Companies and the Transferee Company, the obligations in respect thereof shall deemed to come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of any such inter-Company loans, investments, deposits or balances, if any, with effect from the Appointed date.

15. CONSEQUENTIAL MATTERS RELATING TO TAX

- 15.1 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Companies from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims and accumulated losses of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, Excise & Cenvat returns, service tax returns, other tax returns including the Goods and Service Tax (GST) and to claim refunds/ credits, pursuant to the provisions of this Scheme. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between or amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company.

Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Returns, including TDS Certificates relating to transactions between or amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.



- 15.2 In accordance with the Cenvat Credit Rules framed under the Cenvat Credit Rules, 2004, the unutilized credits relating to Excise Duty or Service tax, Goods and Service Tax paid on inputs/capital goods/ input services lying in the accounts of the Undertaking of the Transferor Companies shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty or service tax or GST or by whatever name called payable by it.
- 15.3 In accordance with the Tamil Nadu Value Added Tax Act, 2006, the unutilized credits, if any, relating to VAT paid on inputs/capital goods lying in the accounts of the Undertaking of the Transferor Companies shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST payable by it.
- 15.4 It is further clarified that no undue tax advantage will be availed nor will inure to the Transferee Company on account of the appointed date as envisaged in the Scheme with regard to the regular operation of the Transferor Companies commencing from the appointed date being aggregated along with the financials of the Transferee Company consequent to the merger of the Companies being approved.
- 15.5 The Scheme has been drawn up in compliance with the applicable provisions of the Companies Act 2013 as also in compliance with the definition of Section 2(1B) of the Income Tax Act. The Board of Directors of the respective Companies is duly empowered to modify the Scheme suitably in case there arises any conflict between the above referred provisions.

PART IV – GENERAL TERMS AND CONDITIONS

16. APPLICATION TO TRIBUNAL

The Transferor Companies shall, with reasonable dispatch, apply to the Tribunal for necessary Orders or directions for holding meetings of the Shareholders, Secured Creditors and unsecured Creditors of the respective Transferor Companies and Transferee Company for sanctioning this Scheme of Amalgamation under Sections 61, 66 and 230 to 233 of the Act or for dispensing the holding of such meetings and orders under the Act, for carrying this Scheme into effect and for dissolution of the Transferor Companies without winding up.

It is further stated that the Transferor Company – 1 and Transferee Company will provide for voting by the shareholders through electronic means in accordance and pursuance to the Companies Act, 2013 and Para (I)(A)(9)(a) of Annexure I of SEBI Circular dated 10th March, 2017 (as amended from time to time).

17. DISSOLUTION OF TRANSFEROR COMPANIES

Subject to an Order being made by the Tribunal under Sections 61, 66 and 230 to 233 of the Act, the Transferor Company 1 & 2 shall be dissolved without the process of winding up on



the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

18. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 1.1 The Transferor Companies and the Transferee Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Tribunal or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Companies without process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect.
- 1.2 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any Part or provision 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 or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, 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 or provision.

19. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date.

20. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to –

- 20.1 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 20.2 The approval of agreement to the Scheme by the requisite majorities in number and value of such classes of persons including the respective members and / or creditors of the Transferor



NATIONAL FITTINGS LIMITED

Companies and the Transferee Company as may be directed by the Hon'ble National Company Law Tribunal, Chennai Bench under Section 61, 66 and 230 to 233 of the Act.

- 20.3 If necessary, the Transferee Company will take appropriate steps to accommodate the objects of the Transferor Companies in its Memorandum of Association either during the course of pending the approval of the present Scheme or after the sanctioning of the Scheme.
- 20.4 Since there are Non-Resident Shareholders in the Transferor Companies, this Scheme will be served to the Reserve Bank of India for necessary compliance.
- 20.5 All other sanctions and orders as are legally necessary or required in respect of the Scheme has been obtained/or shall be obtained to comply with the requirements of Law as may be stated by the Central/State / local authorities as may be deemed necessary and applicable.

21. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and / or the Scheme not being sanctioned by the Tribunal and / or the Order or Orders not being passed as aforesaid this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights 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 the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

22. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.



SCHEDULE – A - FREEHOLD IMMOVABLE PROPERTIES

The details of Freehold Immovable Properties of Transferor Companies vested unto Transferee Company pursuant to this Scheme of Amalgamation are tabled below:

TRANSFEROR COMPANY – 1

S. No	S. F. No	Location	Extent
	637/1	SILVARPATTI VILLAGE (AMMA PATTI)	6.872 acres
	638		3.76 acres
	645/1		0.06 acres
	645/4		0.1 acres
	635/4		73 cents
	630/1A	THOTTANUTHU VILLAGE, DINDIGUL TOGETHER WITH ALL BUILDINGS APPURTENANT THERETO	4 acres
	631/5A, 3A		2400 Sq. Ft
	629/2, 5A, 5B, 8		2400 Sq. Ft
	112/ 3D	KANIYUR VILLAGE, SULUR TALUK TOGETHER WITH ALL BUILDINGS APPURTENANT THERETO	2.94 acres
	112/2		1
	112/3A		0.95 acres
	112/3B		0.95 acres
	112/1C		1.07 acres
	112/3C		0.99 acres



NATIONAL FITTINGS LIMITED

497	SITHUR VILLAGE, VEDASANDUR TOGETHER WITH ALL BUILDINGS APPURTENANT THERETO	5 cents
498/1B2		12 cents
505/1A4		83 cents
505/7B		5 cents
504/3A		37 cents
504/1A		19 cents
498/2A		12 cents
504/2A		180 cents
504/1A		2.5 cents
504/1B		23.5 cents
504/1C		12.5 cents
502/1A		15 cents
498/2B		16 cents
498/2C		4 cents
498/2E		3.5 cents
498/2G		4 cents
498/2D		2.5 cents
498/2F		2.5 cents
504/1D		11 cents
496/6C		16 cents
497/3		11 cents
505/1A3		82 cents
505/5B		25 cents
505/6		37 cents
505/7A		37 cents
505/4		7 cents
505/5	24 cents	
505/6	34 cents	
505/7	38 cents	

TRANSFEROR COMPANY – 2

S. No	S. F. No	Location	Extent
	426/2A1, 2A2, 2B, 2C	THEKKALUR TOGETHER WITH ALL BUILDINGS APPURTENANT THERETO	5.83 acres



SCHEDULE B

POST MERGER – SHAREHOLDING PATTERN

I. AUTHORISED SHARE CAPITAL

Particulars	Amount (In Rs.)
<u>EQUITY</u> (2,45,00,000 Equity Shares of Rs. 10/- each)	24,50,00,000
<u>PREFERENCE</u> (5,00,000 Preference Shares of Rs. 100/- each)	5,00,00,000
Post-Merger Authorised Share Capital	29,50,00,000

II. PAID UP SHARE CAPITAL

Particulars	Amount (In Rs.)
<u>EQUITY</u> (90,83,182 Equity Shares of Rs. 10/- each)	9,08,31,820
<u>PREFERENCE</u> (4,00,000 9 % Redeemable Non- Cumulative Non-convertible Preference Shares of Rs. 100/- each)	4,00,00,000
Post Merger Paid Up Share Capital	13,08,31,820



NATIONAL FITTINGS LIMITED

III. POST MERGER – LIST OF SHAREHOLDERS

A. EQUITY SHAREHOLDERS

S. No	Category of shareholders	Number of Shares	% of holding
1	A V Palaniswamy - Promoter	30,92,093	34.04%
2	Public Shareholding - Institution	500	0.01%
3	Public Shareholding -Bank	100	0.01%
4	Non Resident Indians	5,79,307	6.38%
5	Body Corporates	7,29,508	8.03%
6	Individuals upto Rs. 1 lac	22,48,747	24.75%
7	Individuals more than Rs. 1 lac	15,89,500	17.50%
8	Directors and Relatives	7,11,380	7.83%
9	Clearing members	7,956	0.09%
10	Hindu Undivided Families	1,24,091	1.37%
	TOTAL	90,83,182	100.00%

B. PREFERENCE SHAREHOLDERS

S. No	Category of Shareholders	No of Preference Shares	% of holding
1	Western India Steel Company Private Limited	2,00,000	50.00%
2	Mohamed Ali (Asian Fittings)	2,00,000	50.00%
	TOTAL NO OF PREFERENCE SHARES	4,00,000	100.00%



SCHEDULE – C

SHAREHOLDING OF THE PROMOTERS

I. Pre - Merger

TRANSFEEE COMPANY NATIONAL FITTINGS LIMITED			
S. No	Name of the promoter	Number of Equity Shares	% of holding
1	A V Palaniswamy	7,56,472	9.09 %
2	Interfit India Limited	46,97,010	56.45 %

TRANSFEROR COMPANY– 1 INTERFIT INDIA LIMITED			
S. No	Name of the Promoter	Number of Equity Shares	% of holding
1	A V Palaniswamy	15,57,081	42.78 %

TRANSFEROR COMPANY – 2 MERIT INDUSTRIES LIMITED			
S. No	Name of the Promoter	Number of Equity Shares	% of holding
1	National Fittings Limited	10,00,000	100 %

II. POST - MERGER

NATIONAL FITTINGS LIMITED			
S.NO	NAME OF THE PROMOTER	NO. OF EQUITY SHARES	% OF HOLDING
1	A V Palaniswamy	30,92,093	34.04 %



VIVRO

Vivro Financial Services Private Ltd.

Appaswamy Manor, Old No.9/New No.16, 2nd Floor, 4th Cross Street,
CIT Colony, Mylapore, Chennai - 600 004. Tel: 044-24986774,
Fax: 044-24986777 E-mail: chennai@vivro.net W: www.vivro.net

January 10, 2018

To,
The Board of Directors,
National Fittings Limited
SF 112 Mathapur Road,
Kaniyur Village,
Karumathampatty,
Coimbatore - 641659,
Tamil Nadu.

Sub: Fairness Opinion on the report of Rangarajan & Co., Chartered Accountants with respect to the proposed amalgamation of Interfit India Limited and Merit Industries Limited with National Fittings Limited.

Dear Sirs,

Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration No. INM000010122 (referred to in this document as 'Vivro', 'we', 'us', 'our'), has been appointed by National Fittings Limited (hereinafter referred to as 'NFL', 'the Transferee Company', 'You', 'Your') vide an engagement letter dated December 13, 2017 as an Independent Merchant Banker to furnish a Fairness Opinion in terms of SEBI Circular: CIR/CFD/CMD/16/2015 under regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the valuation carried out by Rangarajan & Co., Chartered Accountants, ("Valuer"), vide its Valuation Report dated January 8, 2018, pursuant to the proposed Scheme of Amalgamation of Interfit India Limited (hereinafter referred to as 'IIL', 'Transferor Company 1') and Merit Industries Limited (hereinafter referred to as 'MIL', 'Transferor Company 2') with National Fittings Limited pursuant to sections 230-233 and other applicable provisions of the Companies Act, 2013.

1. SCOPE AND PURPOSE OF THIS REPORT

We understand that the Board of Directors of National Fittings Limited, IIL and MIL have considered and proposed a Scheme of Amalgamation of IIL and MIL with National Fittings Limited, pursuant to the provisions of sections 230 to 233 and other applicable provisions of the Companies Act, 2013.

Regd. Office **Vivro Financial Services Private Limited**
Vivro House, 11 Shashi Colony, Opp. Suvridha Shopping Center, Palodi, Ahmedabad, Gujarat, India - 380 007
Tel. : +91 (79) 26650670, 3299 3233/44, Fax : +91 (79) 2665 0570
CIN - U67120GJ1996PTC029182, Merchant Banker Sebi. Reg. No. INM000010122, AMBI Reg. No. AMBI/086



In order to comply with the requirements of the regulations, the Company has appointed Rangarajan & Co., Chartered Accountants as the Valuer.

In this connection, the Management has appointed Vivro to submit a Fairness Opinion on the Share Exchange Ratio provided by the Valuer. Our scope of work only includes forming an opinion on the fairness of the recommendation given by the Valuer on the exchange ratio arrived at for the purpose of the proposed Scheme of Amalgamation and not on the fairness or economic rationale of the amalgamation per se.

This report is subject to the scope, assumptions, limitations and disclaimers detailed hereunder. The report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This report has been issued only for the purpose of facilitating the Amalgamation and should not be used for any other purpose whatsoever.

2. SOURCE OF INFORMATION

We have relied on the following information made available to us by the management of three the Companies for purpose of this opinion:

1. Memorandum and Articles of Association of National Fittings Limited, IIL and MIL;
2. Audited Financial Statements of National Fittings Limited, IIL and MIL for the Financial Years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014;
3. Unaudited Financial Statements of National Fittings Limited, IIL and MIL from April 01, 2017 to December 15, 2017;
4. Valuation Report prepared by Rangarajan & Co., Chartered Accountants, dated January 8, 2018 for the purpose of ascertaining share exchange ratio for the proposed Scheme of Amalgamation of IIL with National Fittings Limited;
5. Draft Scheme of Arrangement in nature of Amalgamation between National Fittings Limited, IIL and MIL;
6. Management Certified Shareholding Pattern of the Companies as on March 31, 2017 and September 30, 2017;
7. Management Certified Projections of IIL.
8. Details of Market Price and trading volume of Equity Shares of National Fittings Limited on BSE;
9. Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for purpose of carrying out this assignment.

3. DISCLAIMER & LIMITATIONS

This Fairness Opinion Report is prepared by Vivro Financial Services Private Limited under an engagement from National Fittings Limited on the basis of information, documents, papers, and explanations given by the management, officers and staff of the Companies to Vivro.

In preparing the Fairness Opinion Report, Vivro has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and financial data provided by the Companies. Vivro has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.

Our work does not constitute an audit or certification or due diligence of the past financials of the Transferee Company and the Transferor Companies used in the study and we have relied upon the information provided to us by the management of the Companies as regards such working results.

No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of the fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for the purpose of this report.

Vivro has also considered the proposed Scheme of amalgamation as furnished. It is assumed that the proposed Scheme will be consummated in accordance with the expected terms.

Vivro shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly on account of the use of or reliance on the information set out herein in this report.

Vivro has not provided any accounting, tax or legal advice to any Company involved in the transaction. Fairness Opinion Report should not be construed as investment advice or any form of recommendation either for making or divesting investment in any of the companies involved in the transaction.

The fee for our services is not contingent upon the results of the proposed amalgamation. This opinion is subject to Laws of India.

We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the proposed Scheme. We accept no responsibility as to the prices at which the equity shares of National Fittings Limited will trade following the announcement of

Vivro Financial Services Private Limited



the proposed Scheme or as to the financial performance of National Fittings Limited following the consummation of the proposed Scheme.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

This Opinion is furnished on a strictly confidential basis. Neither this Opinion nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above or as may be required under applicable laws and regulation.

This Report, its contents and the results herein (i) are specific to proposed amalgamation and purpose agreed as per the terms of our engagement; (ii) are specific to the date of this report and (iii) are necessarily based on the prevailing market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the written and oral information made available to us as of January 10, 2018. Events occurring after this date may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

4. BACKGROUND OF COMPANIES

NATIONAL FITTINGS LIMITED-TRANSFeree COMPANY

National Fittings Limited is a public limited company having CIN L29199TZ1993PLC008034, incorporated on April 4, 1993 under the provisions of the Indian Companies Act, 1956 having its registered office at SF 112 Mathapur Road, Kaniyur Village, Karumathampatty, Coimbatore – 641659, Tamil Nadu. The Company manufactures a complete range of fittings and ball valves in stainless and carbon steels and grooved couplings and fittings from SG Iron Castings.

The Equity Shares of the Company are listed on Bombay Stock Exchange. (Code: NATFIT)

Board of Directors of National Fittings Limited:

Sr. No.	Names of Directors	Designation
1.	Mr. A V Palaniswamy	Managing Director
3.	Mrs. A PanathAnitha	Whole Time Director
4.	Mr. Jayaram Govindarajan	Whole Time Director

Vivro Financial Services Private Limited



Sr. No.	Names of Directors	Designation
5.	Mr. R Alagar	Independent Director
6.	Mr.Chenniappan Selvakumar	Independent Director
7.	Mr.Arjunaraj Dhananjayan	Independent Director

Shareholding Pattern of National Fittings Limited as on September 30, 2017:

Sr. No.	Particulars	No. of Shares	% Shareholding
1.	Promoter and Promoter Group	54,53,482	65.55%
2.	Public Shareholders	28,66,518	34.45%
	Total	83,20,000	100.00

INTERFIT INDIA LIMITED-TRANSFEROR COMPANY 1

III is a company incorporated on December 24, 1981 under Companies Act, 1956 having CIN U02411TZ1981PLC001129. It is an unlisted public limited company having its registered office at 112/3D Mathapur Road, Kaniyur Village, Palladam Taluka, Karumathampatti, Coimbatore - 641659, Tamil Nadu.

National Fittings Limited is a subsidiary of III and III holds 56.46% of the shareholding of National Fittings Limited as on September 30, 2017.

III is engaged in the business of manufacturing components for piping products in India. The Company manufactures S G Iron castings for grooved, threaded ductile iron pipe fittings and components for piping products in India. The Company manufactures S G Iron castings for grooved and threaded ductile iron pipe fittings. It currently supplies its components to its Subsidiary Company, National Fittings Limited, which is established by the same promoters in the year 1993 and listed with BSE in the year 1995.

Present Board of Directors of III

Sr. No.	Names of Directors	Designation
1.	Mr. Muthusamy Loganathan	Director
2.	Mr. Pushpavahanan	Whole Time Director
3.	Mr. Srinivasan Ramalingam	Whole Time Director





Present Shareholding Pattern of IIL

Sr. No.	Particulars	No. of Shares	% Shareholding
1.	Promoters and Promoter Group	15,57,081	42.78%
2.	Public Shareholding	20,83,047	57.22%
	Total	36,40,128	100.00%

MERIT INDUSTRIES LIMITED-TRANSFEROR COMPANY 2

MIL is a company incorporated on October 28, 1996 under Companies Act, 1956 having CIN U17111TZ1996PLC007528. It is an unlisted public limited company having its registered office at No 26 Damunagar, Coimbatore - 641045, Tamil Nadu.

MIL manufactures and sells S G Iron castings for grooved and threaded ductile iron pipe fittings.

Present Board of Directors of MIL

Sr. No.	Names of Directors	Designation
1.	Mr. Prithviraj Alias Bharat S Parikh	Director
2.	Mr. Harsh P Parikh	Director
3.	Mr. Palaniswamy A Venkatasamy	Director
4.	Mr. Muthusamy Loganathan	Whole Time Director
5.	Mr. Srinivasan Ramalingam	Director

Present Shareholding Pattern of MIL

Sr. No.	Particulars	No. of Shares	% Shareholding
1.	National Fittings Limited and its nominees	10,00,000	100%



5. VALUER'S RECOMMENDATION

After using several commonly used and accepted methods of determining the value of equity shares of a company, it has been recommended by the Valuer that the fair exchange ratio for the merger of IIL with National Fittings Limited shall be as follows:

"3 (Three) Equity Shares of National Fittings Limited of face value ₹ 10/- each, for every 2 (Two) equity shares of IIL of ₹ 10/- each."

Since MIL is directly or indirectly 100% subsidiary of Transferee Company, the shareholder of MIL, cannot be issued shares of Transferee Company pursuant to Applicable Laws in India and the Scheme being an internal group restructuring between the Transferee Company and the Transferor Company, as per Clause 10.1.2 of the scheme, no consideration is proposed. Hence, the Transferee Company shall not be required to issue any shares or pay any consideration to the Transferor Company or to its shareholders. Accordingly, no exchange ratio for the proposed amalgamation has been arrived at by the companies.

6. OUR OPINION & CONCLUSION

The fairness opinion has been prepared based on the Valuer's report and our analysis of the various factors relevant to the Companies, having regard to the information submitted, management representations, key underlying assumptions and limitations.

In view of the above and on consideration of all relevant factors and circumstances, we believe that the proposed Share Exchange Ratio as recommended by Valuer which forms the basis for arriving at consideration in the Form of equity shares for the proposed scheme, is fair and reasonable.

For, Vivro Financial Services Private Limited


S.Sreedharan
Associate Vice President



Date: : 10-01-2018

Place: : Chennai

Rangarajan & Co.

We refer to our engagement letter wherein the management of National Fittings Limited (hereinafter referred to as "NFL") and the Management of Interfit India Limited (hereinafter referred to as "IIL" and jointly referred to as the "Companies") has requested Rangarajan & Co., Chartered Accountants, Chennai (hereinafter referred to as "RR" or "Valuer") to recommend the fair share exchange ratio for the proposed amalgamation of Interfit India Limited, the Holding Company into its subsidiary, NFL ("Proposed Amalgamation") to the Board of Directors of the Companies

Scope and Purpose of this Report

Interfit India Limited manufactures and sells components for piping products in India. The company offers castings for grooved and threaded ductile iron pipe fittings. The company sells its products primarily to NFL who in turn exports the finished products primarily to the United States, Japan, the Middle East, Australia, and other countries. Interfit India Limited was incorporated in 1981 and is headquartered in Coimbatore, India. The company manufactures S G iron castings. It has manufacturing facilities in Tamilnadu. The company manufactures S G iron pipe fitting and rubber gaskets.

National Fittings Limited, an export oriented company and an ISO 9001 certified manufacturer of Quality Piping components to various industries. National Fittings manufactures a complete range of fittings and ball valves in stainless and carbon steels and grooved couplings and fittings from SG Iron Castings.

National Fittings is committed to innovative product design, state of the art production engineering and continuous monitoring of product and process quality. National Fittings, manufactures products with recognized International standards and most of the products are approved by various international testing agencies for specific application. Technical competence, reliability, and rigorous adherence to Quality Standards and process discipline are the keys to our success.

National Fittings operates an ISO 9001 certified investment casting foundry utilizing lost wax process and IIL as the exclusive supply source for its entire SG Iron Castings requirement. Striving for continual improvement and working towards total customer satisfaction has carved a niche for us in our domain. Its prompt services, delivery schedule & most competitive pricing has brought in substantial profit and has also made NFL the most preferred business associate in this Industry.



CHARTERED ACCOUNTANTS
Khaleeli Centre, 2nd Floor, 4, Montiel Road, Egmore, Chennai - 600 008
Phone : 44 - 28414144, email : ramaseshan_rangarajan@hotmail.com

We have been informed that the Board of Directors of NFL and IIL are considering a proposal for the amalgamation of IIL into NFL ("Proposed Amalgamation") as per the draft scheme of Amalgamation under the provision of Section 61, 66, 230 to 232 and other applicable provisions of the Companies Act, 2013 and corresponding provisions of the Companies Act, 1956 ("Scheme of Amalgamation"). Under the Scheme of Amalgamation, the shareholders of IIL will be issued equity share of NFL pursuant to share exchange ratio being approved.

In this connection, RR has been requested by the managements of NFL and IIL (the "Management") to submit a report recommending a fair share exchange ratio in the event of the Proposed Amalgamation for the consideration of the Boards of NFL and IIL.

The scope of our services is to conduct relative valuation for recommending a fair share exchange ratio for the Proposed Amalgamation in accordance with generally accepted professional standards.

This report is our deliverable in respect of our recommendation of fair share exchange ratio for the purpose of the Proposed Amalgamation.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used information received from the Management and/or available in the public domain as follows:

- a. With respect to Interfit India Limited
 - Audited financial statements for the years ended March 31, 2015, 2016 and 2017
 - Projected business plan of IIL for the period April 2017 to March 2022
 - Details of assets and liabilities proposed to be transferred NFL
 - List of land owned by IIL along with their current 'Guideline Value' as fixed by the Government of Tamilnadu
 - Number of shares of NFL held by IIL
- b. With respect to National Fittings Limited
 - Audited financial statements for the years ended March 31, 2015, 2016 and 2017
 - Share prices and the traded volumes considered from BSE.
 - Draft Scheme of Amalgamation



- c. Other relevant information made available to us by the Management of NFL and ILL through emails and discussions.

ILL and NFL has been provided with the opportunity to review the draft report for this engagement to make sure the stated facts are accurate and appropriately considered in the final report.

SCOPE, LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of regular corporate advisory practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by WCC or our affiliates.

This report, its contents and the results herein:

- a) are specific to the purpose of the valuation as per agreed terms of engagement;
- b) are specific to the date of this report; and
- c) are based on the data detailed earlier in this report.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions specific to the industry and in general and on the basis of the information made available to the undersigned from time to time. Events occurring after this date may affect this report and the assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

The recommendations in this report only represent our recommendations based upon information provided by ILL and NFL, including those available in the public domain, and the said recommendations shall be considered to be in the nature of non-binding advise(our recommendation will however not be used for advising anybody to consider buy or sell decision, for which specific opinion needs to be obtained). We have no obligation to update this report.

In the course of the valuation, we have assumed and relied upon, without independently verifying the accuracy of the information available in public domain and other industry-related spaces. In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical information made available to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financial statements.



The report assumes that the Companies comply fully with the relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited / unaudited balance sheet of the Companies.

The report does not look into the business or commercial reasons behind the proposed amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are available.

No investigation / enquiry of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the financial statements. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Board of Directors of IIL and NFL under the terms of engagement, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion.

This valuation report is subject to the laws of India only and shall not be referred to as an expert in regulatory filings in any other country. Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan report or other agreement or document given to third parties, other than in connection with the Proposed Amalgamation, without our prior written consent. In addition, this report does not in manner address the prices at which NFL's shares will trade following the announcement of the Proposed Amalgamation and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meetings to be held in connection with the Proposed Amalgamation.



DETAILS OF SHARE CAPITAL OF THE COMPANIES

The following are the shareholding patterns of IIL and NFL as of March 31, 2017 as provided by the respective Managements:

Interfit India Limited

Sl. No.	Particulars	No. of Shares	% of Shareholding
1	Promoter Group	1,557,081	42.78%
2	Others	2,083,047	57.22%
3	TOTAL	3,640,128	100.00%

National Fittings Limited

Sl. No.	Particulars	No. of Shares	% of Shareholding
1	Promoter Group	54,52,782	65.55%
2	Others	28,67,218	34.45%
3	TOTAL	83,20,000	100.00%

BASIS OF PROPOSED AMALGAMATION

The Scheme of Amalgamation contemplates the Proposed Amalgamation of the Companies under the provisions of Sections 61, 66, 230 to 232 and other applicable provisions of the Companies Act, 2013 and corresponding provisions of the Companies Act, 1956. Arriving at the fair share exchange ratio for the Proposed Amalgamation would require determining the relative values of the concerned shares of the Companies.

Hence we have carried out a relative valuation of the shares of IIL and NFL in order to determine the fair share exchange ratio for the Proposed Amalgamation.

There are several commonly used and accepted methods for determining the fair share exchange ratio for the Proposed Amalgamation which have been considered in the present case to the extent relevant and applicable, including:

1. Net Asset Value Method
2. Market Price Method
3. Discounted Cash Flows Method



It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond control. In performing our analysis, we have made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, the valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies and other factors which generally influence the valuation of the Companies and their assets.

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 emphasised that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgement, in an independent and *bona fide* manner based on past experience.

Adjusted Net Asset Value [ANAV] Method

The value arrived at under this method is based on the audited financial statements of the Companies and may be defined as Shareholders' Funds or Net Assets owned by the business, the Adjusted Net Asset Value of the business is arrived at after making adjustments for the fair value of the Assets (including investments) and Liabilities. The Net Asset Value is generally used as the minimum break-up value for any business since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern.

In the case of IIL, we understand that the Company is operating in an industry which has a lot of competing products from industries located in China and other parts of the world. Due to the competition the Management is expecting a significant fall in the market prices of the IIL's products in order to compete in the industry as well as to retain market share. Therefore going by the inconsistent pricing and uncertain market conditions, the management is not in a position to reasonably estimate the future cashflows that can be generated out of the business. In addition the Company, being a manufacturing Company, significant investments have been made in physical assets, hence ANAV approach to valuation may provide a more reasonable estimate of the value of shares of IIL.

Under the ANAV Method, we have considered the fair value of the assets [Tangible and Intangible] and liabilities proposed to be taken over by NFL from IIL under the Proposed Amalgamation. The Assets mainly consist of Land, Building, Machinery, Office Equipment and Furniture & Fittings. The Land owned by IIL have been valued at the guideline value as fixed by the Government of Tamilnadu. All other assets have been valued at book value. In





addition to the above, IIL owns 46,97,010 equity shares of Rs. 10 each in NFL, its subsidiary, which is listed on the Bombay Stock Exchange [BSE]. Hence these shares have been valued at the 6 month average between July 1, 2017 – December 31, 2017 obtained from www.bseindia.com and the adjusted value of such shares have been considered for arriving at the ANAV of IIL for the Proposed Amalgamation.

Market Price Method

The Market Price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share is quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading in the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary / preferential issues / open offer in the shares of the Company as envisaged in the overall scheme of arrangement and reported to the stock exchanges / available in the public domain.

In the present case, the equity shares of NFL are listed on BSE and there are regular transactions on the bourses in their equity shares. Accordingly, the share price over reasonable periods for the shares of NFL, as deemed appropriate for the purpose of our valuation analysis, have been considered for determining the value of NFL under the market price methodology.

Discounted Cash Flows [DCF] Method

The DCF method uses the future free cash flows of the firm discounted by the Cost of Capital to arrive at the present value. In general, the DCF method is a strong and widely accepted valuation tool as it concentrates on cash generation potential of a business. Given the industry, competitive and pricing scenarios, significant asset concentration and IIL's position as compared to competitors in respect of pricing of final products, we have not considered this method for arriving at the valuation of shares for determination of the swap ratio. Moreover, this method does not consider the adjusted value of the land and the investments in arriving at the valuation as the value is only based on the cash flows from the business, the significant market values of such assets are not reflected in the final valuation which deems the value so arrived at inappropriate for the Proposed Amalgamation.



BASIS FOR FAIR SHARE EXCHANGE RATIO

The fair basis for the Proposed Amalgamation would have to be determined after taking into account all the factors and methodologies mentioned hereinabove. For the purposes of recommending a swap ratio, it is necessary to arrive at a single value for the shares of the concerned companies. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the shares of the companies but at their relative values to facilitate the determination of the swap ratio.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the Valuer and his/her judgements taking into account all the relevant factors. There will always be several factors, e.g. quality of management, market competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the financial statements but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

The fair exchange ratio of the equity shares of IIL and NFL has been arrived at on the basis of a relative valuation of IIL and NFL based on the methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses, having regard to information base, key underlying assumptions and limitations.

In the light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, as per our analysis the shareholders of IIL shall be issued 3 shares NFL of Rs. 10 each fully paid for every 2 equity shares of Rs. 10 each held in IIL as the total consideration for the Proposed Amalgamation.

Thanking you

Yours Faithfully

For Rangarajan & Co.,
Chartered Accountant
FRN: 0097825


R Rangarajan
Proprietor
Mr. No. 011005



Date: 08th January 2018

Rangarajan & Co.

ANNEXURE I

Computation of Fair Share Exchange Ratio

Valuation Approach	NATIONAL FITTINGS LIMITED		INTERFIT INDIA LIMITED	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	-	-	353.85	70%
Income Approach*	-	-	336.17	30%
Market Approach	231.92	100%	-	-
Relative Value Per Share	231.92		348.54	
Exchange Ratio (rounded off)			1.50	

*Discounted Cash Flow method

RATIO:

- 3 (Three) equity share of National Fittings Limited of Rs 10/- each fully paid up for 2 (Two) equity shares of Interfit India Limited of Rs 10/- each fully paid up.

Note:

- 1) The equity shares of National Fittings Limited are listed on Bombay Stock Exchange Limited and as they are regularly traded, the market price of the shares is considered for determining the value of shares as it is the most appropriate method.
- 2) As per SEBI circular CFD/DIL3/CIR/2017/21 dated 10.03.2017, for allotment of shares to shareholders of unlisted Companies pursuant to a scheme, the pricing provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 (ICDR Regulations) has to be followed. Hence the other two methods namely, Asset approach and Income approach have not been used / adopted for valuing the shares of National Fittings Limited.
- 3) The asset approach was not used for determining the value of shares of National Fittings Limited as it would not reflect the earning potential of the Company.
- 4) Since Interfit India Limited is an unlisted company the Asset approach and Income approach (Discounted Cash Flow method) are considered for determining the value of shares.
- 5) As the shares of Interfit India Limited are not listed on any Stock Exchange in India or abroad, the market price of the shares have not been considered for determining the value of shares.

For Rangarajan & Co.,
Chartered Accountant
FRN: 0097825



R Rangarajan
Proprietor
Mr. No. 011005



CHARTERED ACCOUNTANTS

Khaleel Centre, 2nd Floor, 4, Montiel Road, Egmore, Chennai - 600 008
Phone : 44 - 26414144, email : ramaseshan_rangarajan@hotmail.com



NATIONAL FITTINGS LIMITED

Relevant Date 31/12/2017

Stock Quote Data is 16 days old

Week	Start Date	End Date	High	Low	Average
1	24/12/2017	30/12/2017	213.58	208.89	211.24
-2	17/12/2017	23/12/2017	212.63	210.76	211.70
3	10/12/2017	16/12/2017	210.96	203.82	207.39
4	03/12/2017	09/12/2017	206.15	203.11	204.63
5	26/11/2017	02/12/2017	209.56	204.52	207.04
6	19/11/2017	25/11/2017	220.74	214.52	217.63
7	12/11/2017	18/11/2017	221.73	209.47	215.60
8	05/11/2017	11/11/2017	228.43	223.59	226.01
9	29/10/2017	04/11/2017	232.95	223.37	228.16
10	22/10/2017	28/10/2017	244.18	219.23	231.71
11	15/10/2017	21/10/2017	219.98	210.05	215.02
12	08/10/2017	14/10/2017	221.97	204.11	213.04
13	01/10/2017	07/10/2017	235.98	222.63	229.30
14	24/09/2017	30/09/2017	231.49	228.45	229.97
15	17/09/2017	23/09/2017	237.02	232.19	234.60
16	10/09/2017	16/09/2017	241.48	235.67	238.57
17	03/09/2017	09/09/2017	242.91	235.58	239.24
18	27/08/2017	02/09/2017	248.58	237.77	243.17
19	20/08/2017	26/08/2017	243.71	236.24	239.98
20	13/08/2017	19/08/2017	256.07	249.26	252.66
21	06/08/2017	12/08/2017	282.18	264.54	273.36
22	30/07/2017	05/08/2017	273.30	268.01	270.66
23	23/07/2017	29/07/2017	267.03	258.06	262.55
24	16/07/2017	22/07/2017	265.07	239.78	252.43
25	09/07/2017	15/07/2017	239.94	239.32	239.63
26	02/07/2017	08/07/2017	239.83	229.59	234.71
i) Weighted Average Price of 26 weeks					231.92
ii) Weighted Average Price of 2 weeks					211.47

Higher of i) and ii)

231.92





DCS/AMAL/SV/R37/1246/2018-19

The Company Secretary,
National Fittings Limited
S F No 112, Madhapur Road,
Kaniyur Village, Karumathampatti (via)
Coimbatore-641659
Tamil Nadu

Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation of Interfit India Limited and Merit Industries Limited with National Fittings Limited and their Respective Shareholders and Creditors.

We are in receipt of Draft Scheme of Amalgamation of Interfit India Limited and Merit Industries Limited with National Fittings Limited and their Respective Shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated August 31, 2018, has inter alia given the following comment(s) on the draft scheme of amalgamation:

- “Company shall ensure that the undertaking dated March 14, 2018 with respect to voting submitted by the Company is adequately incorporated in the scheme before filing it with National Company Law Tribunal (NCLT).”
- “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.”
- “Company shall duly comply with various provisions of the Circulars.”
- “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

(2)



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001, India
T: +91 22 2272 1234/33 | E: corp.com@bseindia.com | www.bseindia.com
Corporate Identity Number : L67120MH-2005PLC155188



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.

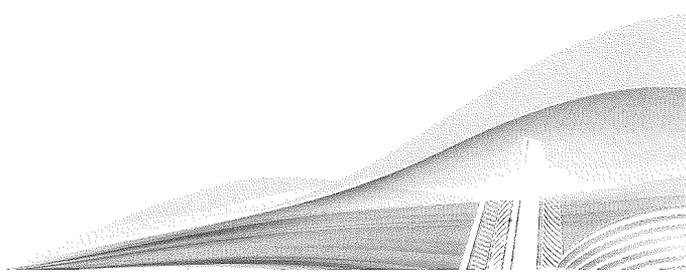
Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

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.

Yours faithfully,

Nitinkumar Pujari
Senior Manager



**NATIONAL FITTINGS LIMITED**

CIN : L29199TZ1993PLC008034 • GSTIN : 33AAACI4737M1ZG

To
Bombay Stock Exchange Ltd
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort, MUMBAI - 400 001
Scrip Code: 531289

26.02.2018

Reg: Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Sub: Scheme of Amalgamation – Application for grant of 'No Objection'

We refer our letter dated 18.01.2018 informing you about the decision of the Board of Directors of our Company, National Fittings Limited (NFL), at their meeting held on 17.01.2018, approved a Scheme of Amalgamation with Interfit India Limited and Merit Industries Limited under Section 61, 66, 231 to 233 of the Companies Act, 2013

Please find enclosed herewith details of complaints received by the Company on the draft scheme during 21 days period from the date of filing of draft scheme with BSE (30.01.2018) and hosing of the draft scheme along with all other documents on the website of the Company (03.02.2018) and BSE Limited (05.02.2018)

Kindly take the same on your record and provide No Objection Certificate for the Scheme of Amalgamation at an earliest.

Thanking You,

Yours truly,
For National Fittings Limited


S Aravinthan
Company Secretary





NATIONAL FITTINGS LIMITED



NATIONAL FITTINGS LIMITED

CIN : L29199TZ1993PLC008034 • GSTIN : 33AAACI4737M1ZG

Complaints Report

Part A

Sr No.	Particulars	Number.
1.	Number of Complaints received directly	Nil
2.	Number of Complaints forwarded by Stock Exchanges	Nil
3.	Total Number of Complaints/Comments received	Nil
4.	Number of Complaints resolved	Not Applicable
5.	Number of Complaints pending	Not Applicable

Part B

Sr No.	Name of Complainant	Date of Complaint	Status (Resolved/pending)
1		Not Applicable	

For National Fittings Limited

S. Araviathan

S. Araviathan
Company Secretary



112, Madhapur Road, Kaniyur, Karumathampatti(Via), Coimbatore - 641 659, Tamilnadu, India.
Phone : 99432 93000, 99439 93001 Fax : 0421 - 2333317

**VIVRO****Vivro Financial Services Private Ltd.**

Regd. Office :

Vivro House, 11 Shashi Colony, Opp. Suvidha Shopping Centre, Paldi,
Ahmedabad, Gujarat, India - 380 007.

Tel. : +91 (079) 4040 4242 , 2665 0669, W : www.vivro.net

CERTIFICATE

To,
Board of Directors & Shareholders,
National Fittings Limited,
SF 112 Mathapur Road,
Kaniyur Village,
Karumathampatty, Coimbatore,
Tamilnadu – 641 659, India

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to Interfit India Limited in relation to proposed Scheme of Amalgamation of Interfit India Limited (“IIL” or the “Transferor Company -1”) and Merit Industries Limited (“MIL” or the “Transferor Company -2”) with National Fittings Limited (“NFL” or “Transferee Company”) and their respective shareholders and creditors.

Dear Sirs,

We, Vivro Financial Services Private Limited (“Vivro”), refer to our engagement letter dated December 13, 2017 whereby NFL has appointed us for the purpose of certifying the adequacy and accuracy of disclosure of information pertaining to IIL pursuant to proposed scheme of amalgamation of Interfit India Limited and Merit Industries Limited with National Fittings Limited and their respective shareholders and creditors under sections 61, 66 and 230 to 233 and other applicable provisions of the Companies Act, 2013 and provisions of other applicable laws (“Scheme of Amalgamation”).

Regulatory Requirement:

SEBI vide its Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended (“SEBI Circular”) prescribed requirements to be fulfilled by the listed entities when they propose a Scheme of Arrangement. The SEBI Circular, amongst other things, provides that in the event a listed entity enters into a scheme of arrangement 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 D of Schedule VIII of SEBI (ICDR) Regulations, 2009.

Further, the adequacy and accuracy of such disclosure of information pertaining to unlisted entity is required to be certified by a SEBI registered Merchant Banker.

Disclaimer and Limitations:

1. 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.
2. This Certificate contains the certification on adequacy and accuracy of disclosure of information pertaining to the unlisted entity viz., IIL which is not an opinion on the proposed Scheme of Amalgamation or its success.
3. This Certificate is issued on the basis of examination of information and documents provided by IIL, explanations provided by the management of IIL and information which is available in the public domain and wherever required, the appropriate representations from IIL and others have also been obtained.

Page 1 of 2





VIVRO

Vivro Financial Services Private Ltd.

Regd. Office :
Vivro House, 11 Shashi Colony, Opp. Suvidha Shopping Centre, Paldi,
Ahmedabad, Gujarat, India - 380 007.
Tel. : +91 (079) 4040 4242 , 2655 0669, W : www.vivro.net

4. 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.
5. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme of Amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

Certification:

We state and confirm as follows:

1. We have examined various documents and other materials in connection with finalization of disclosure of information pertaining to IIL ("Information Memorandum") which will be circulated to the members of NFL at the time of seeking their consent to the proposed Scheme of Amalgamation as a part of explanatory statement to the notice;
2. On the basis of such examination and the discussion with the management of IIL, its directors, other officers and on independent verification of contents of Information Memorandum and other documents furnished to us, WE CONFIRM that:
 - a. The information contained in the Information Memorandum is in conformity with the relevant documents, materials and other papers related to IIL;
 - b. The Information Memorandum contains applicable information pertaining to IIL 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 Amalgamation.

For, Vivro Financial Services Private Limited


Jayesh Vitlani
SVP – Capital Market



Date: March 14, 2018
Place: Ahmedabad



APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS (AS PROVIDED IN PART D OF SCHEDULE VIII OF THE ICDR REGULATIONS)

This Document contains information pertaining to unlisted entity involved in the proposed Scheme of Arrangement between **Interfit India Limited** ('IIL' or the 'Transferor Company -1'), **Merit Industries Limited** ('MIL' or the 'Transferor Company - 2') and **National Fittings Limited** ('NFL' or the 'Transferee Company') and their respective shareholders and creditors in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

INTERFIT INDIA LIMITED		
Registered Office & Coporate Office: 112/3D, Mathapur Road, Kaniyur Village, Karumathampatti (via), Coimbatore – 641 659 Telephone: 9943293000; Fax: 0421-2333317; Email: interfitindia@gmail.com CIN: U02411TZ1981PLC001129 Contact Person: Mr. M Loganathan (Director)		
PROMOTERS		
Mr. A V Palaniswamy		
DETAILS OF THE SCHEME		
The scheme of arrangement provides that the whole of the Undertaking of the Transferor Companies comprising their entire business, all assets and liabilities of whatsoever nature and where so ever situated, including the immovable properties, if any, shall, under the provisions of Section 232 read with all other applicable provisions, if any, of the Companies Act, 2013 be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern with the Share Exchange Ratio of 3 (Three) Equity Shares of Rs 10/- each as fully paid up of Transferee Company for every 2 (Two) Equity Shares, of Rs 10/- each of Transferor Company - 1		
STATUTORY AUDITOR		
M/s Krishnaa & Co Chartered Accountants 10 "C" Wing, 6 th floor, Parsn Manere, Flat No: 442, Anna Salai, Chennai – 600 006 Phone No.: 044-28205937 Fax: 044-28205937		
INDEX CONTENT		
Sr. No.	Particulars	Page No.
1	Promoters of Interfit India Limited	2
2	Business Model/Business Overview and Strategy	2
3	Board of Directors of Interfit India Limited	2
4	Shareholding Pattern as on 31.03.2017	3
5	Audited Financials	3
6	Internal Risk Factors	3
7	Summary of Outstanding Litigations, Claims and Regulatory Action	3
8	Rationale and Benefits of Scheme of Arrangement	4
9	Declaration	5



NATIONAL FITTINGS LIMITED

PROMOTER OF IIL

A V Palaniswamy (the “Promoter”)

Mr A V Palaniswamy, aged about 75, is a qualified engineer with more than 40 years of experience in manufacturing technologies, expertise in achieving best production and marketing levels. He holds Directorship in Merit Industries Limited, National Fittings Limited and Haitima India Private Limited. His holding in National Fittings Limited is 756472 (9.092%)

Promoter of Interfit India Limited:

Sr. No.	Name of Promoters	No. of Shares Held	% of Holding
1	A V Palaniswamy	15,57,081	42.78
Total Shareholding		15,57,081	42.78

Board of Directors & KMPs of Interfit India Limited:

Sr. No.	Name of Directors & KMPs	Designation	DIN/PAN
1	M Loganathan	Director	01936839
2	T Pushpavahanan	Whole Time Director	06632857
3	Srinivasan Ramalingam	Whole Time Director	07446505

Interfit India Limited is holding 46,97,010 Equity Shares constituting 56.454% of the total share capital of National Fittings Limited and it is the Subsidiary Company of Interfit India Limited

List of top 5 largest listed group companies as per Part A, Schedule VIII, Regulation 2, Item (IX) (C) (2) SEBI (ICDR) Regulations, 2009

- 1) National Fittings Limited

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

IIL incorporated on 24.12.1981 in the State of Tamilnadu and is an unlisted Public Company. IIL is engaged in the business of manufacturing castings for Pipe Fittings for Fire Protection and HVAC industries.

It is the Holding Company of National Fittings Limited and holds 56.454% of shares in NFL. It is currently supplying its components to NFL.

BOARD OF DIRECTORS OF IIL

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1	M Loganathan	Independent Director	Mr M Loganathan is a BE graduate, aged about 70 years, and having over two decades experience in manufacturing and commercial activities relating to engineering industry. He is holding Directorship in Merit Industries Limited and Haitima India Private Limited.
2	T Pushpavahanan	Whole Time Director	Mr T Pushpavahanan, aged about 39 years, is holding a Diploma in Foundry Technology and having over two decades experience in foundry operations. He is holding Directorship in Precicraft Vacuum Pumps Private Limited and

NATIONAL FITTINGS LIMITED



Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
			Uni Dynamic Vacuum Pumps India Private Limited.
3	Srinivasan Ramalingam	Whole Time Director	Mr Srinivasan Ramalingam, aged about 47 years, is a MBA graduate and has over two decades experience in marketing and in various commercial activities relating to engineering industry. He is holding Directorship in Merit Industries Limited, Precicraft Vaccum Pumps Private Limited and Uni Dynamic Vacuum Pumps India Private Limited.

SHAREHOLDING PATTERN AS ON 31.03.2017

Sr. no.	Particulars	Number of shares	% Holding of share capital
1.	Promoter & Promoter Group	1557081	42.78
2.	Public	2083047	57.22
	Total	3640128	100.00

AUDITED FINANCIALS

Particulars	(Rs. in Lac)					
	Dec. 2017	2016-17	2015-16	2014-15	2013-14	2012-13
Income from Operations	1219.17	1980.12	1700.55	1689.01	1790.26	1376.47
Profit before Tax	150.67	490.39	392.07	112.20	184.75	83.90
Profit after Tax	141.05	362.52	313.23	95.51	104.75	130.50
Equity Paid up Capital	364.01	364.01	364.01	364.01	364.01	364.01
Reserves and surplus	1502.10	1473.37	1221.00	1057.08	1034.77	1002.43
Net Worth	1866.11	1837.38	1585.01	1421.09	1398.38	1366.44
EPS	3.87	9.96	8.61	2.62	2.88	2.08
Return on net worth (%)	7.56%	19.73%	19.76%	6.72%	7.49%	9.55%
Net Asset Value per share	51.27	50.48	43.54	39.04	38.42	37.54

INTERNAL RISK FACTORS

- 1) Being in power intensified industry the production depends upon the power supply
- 2) Non-availability of skilled labour and cost of labour may impact production costs and margin.
- 3) Overseas competition can reduce margin

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against and by our Company and amount involved – **There are six litigations pending against the Company involving demand amount of Rs. 106.23 lacs.**

B. Brief details of top 5 material outstanding litigations against the Company and amount involved –

Sr. No.	Particulars	Litigation filed by/ challenging order of	Nature of the litigation	Current status	Amount involved (Rs. in Lakhs)
1	Appeal	Appeal filed by the	Appeal filed by the	Obtained	75.74



NATIONAL FITTINGS LIMITED

Sr. No.	Particulars	Litigation filed by/ challenging order of	Nature of the litigation	Current status	Amount involved (Rs. in Lakhs)
	No.E/40202/2013 before CESTAT, Chennai	company against the Commissioner of Central Excise, Madurai	Company for duty , interest and penalty demanded due to differential duty on goods cleared from Dindgul unit for captive use in Coimbatore Unit	Stay after Pre-depositing Rs. 10 Lacs	
2.	Appeal No.E/40203/2013 before CESTAT, Chennai	Appeal filed by the company against the Commissioner of Central Excise, Madurai	Litigation against demand of interest for certain non- compliances	Interest already paid in 2009. Appeal pending	0.12
3.	W.P No. 28733/2011 before the High Court of Chennai	Petition filed against Assistance Commissioner of Central Excise	Litigation against Denial of rebate reasoning that the description of goods in ARE and Shipping Bill vary	Refund Pending	22.46
4.	CMA 658/2012 before the High Court of Chennai	Application filed against Commissioner of Central Excise	Litigation against Demand for penalty for the supplies made to DMRC	pending	0.10
5.	ESIOP 183/2014 before the Honourable Employee's State Insurance Court	Filled against The Director (ME cell), ESIC, Sub- Regional Office, Madurai	Demand raised by ESIC damages for the period 2004-2011	Company has preferred an appeal before the ESI Court, but has deposited an amount of Rs. 5,27,025/- under protest	7.80
6.	ESIOP 194/2014 before the Honourable Employee's State Insurance Court	Filled against The Director (ME cell), ESIC, Sub- Regional Office, Madurai	Demand for Refund of the amount deposited under protest as stated in column 5 above	Pending Company	5.27

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any: **NIL**

D. Brief details of outstanding criminal proceedings against Promoters: **NIL**

RATIONALE AND BENEFITS OF SCHEME OF ARRANGEMENT

- 1) Amalgamation of these entities into a single entity enables for sustainable growth in terms of revenue and profits.
- 2) Enable the entity to with stand competition by overseas suppliers by cost effectiveness and large scale economies.
- 3) Backward integration of operations provides for operational integration, assured supply of components and flexibility in operations
- 4) There would an ease in administrative and management decision.
- 5) Amalgamation enables the combined pooling of operational, financial and other resources of the Companies together for deriving optimum benefits

**DECLARATION**

We hereby declare that all relevant provisions of SEBI Circular and Part D of Schedule VIII of SEBI (ICDR) Regulations, 2009 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or SEBI (ICDR) Regulations, 2009. We further certify that all statements in this Document are true and correct.

For National Fittings Limited

A V Palaniswamy
Managing Director

Place: Coimbatore
Date: 14.03.2018



VIVRO

Vivro Financial Services Private Ltd.

Regd. Office :
Vivro House, 11 Shashi Colony, Opp. Suvidha Shopping Centre, Paldi,
Ahmedabad, Gujarat, India - 380 007.
Tel. : +91 (079) 4040 4242 , 2665 0669, W : www.vivro.net

CERTIFICATE

To,
Board of Directors & Shareholders,
National Fittings Limited,
SF 112 Mathapur Road,
Kaniyur Village,
Karumathampatty, Coimbatore,
Tamilnadu - 641 659, India

Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to Merit Industries Limited in relation to proposed Scheme of Amalgamation of Interfit India Limited ("IIL" or the "Transferor Company -1") and Merit Industries Limited ("MIL" or the "Transferor Company -2") with National Fittings Limited ("NFL" or "Transferee Company") and their respective shareholders and creditors.

Dear Sirs,

We, Vivro Financial Services Private Limited ('Vivro'), refer to our engagement letter dated December 13, 2017 whereby NFL has appointed us for the purpose of certifying the adequacy and accuracy of disclosure of information pertaining to MIL pursuant to proposed scheme of amalgamation of Interfit India Limited and Merit Industries Limited with National Fittings Limited and their respective shareholders and creditors under sections 61, 66 and 230 to 233 and other applicable provisions of the Companies Act, 2013 and provisions of other applicable laws ("Scheme of Amalgamation").

Regulatory Requirement:

SEBI vide its Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended ("SEBI Circular") prescribed requirements to be fulfilled by the listed entities when they propose a Scheme of Arrangement. The SEBI Circular, amongst other things, provides that in the event a listed entity enters into a scheme of arrangement 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 D of Schedule VIII of SEBI (ICDR) Regulations, 2009.

Further, the adequacy and accuracy of such disclosure of information pertaining to unlisted entity is required to be certified by a SEBI registered Merchant Banker.

Disclaimer and Limitations:

1. 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.
2. This Certificate contains the certification on adequacy and accuracy of disclosure of information pertaining to the unlisted entity viz., MIL which is not an opinion on the proposed Scheme of Amalgamation or its success.
3. This Certificate is issued on the basis of examination of information and documents provided by MIL, explanations provided by the management of MIL and information which is available in the public domain and wherever required, the appropriate representations from MIL and others have also been obtained.

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VIVRO**Vivro Financial Services Private Ltd.**

Regd. Office :

Vivro House, 11 Shashi Colony, Opp. Suvidha Shopping Centre, Paldi,
Ahmedabad, Gujarat, India - 380 007.

Tel. : +91 (079) 4040 4242 , 2665 0669, W : www.vivro.net

4. 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.
5. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme of Amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

Certification:

We state and confirm as follows:

1. We have examined various documents and other materials in connection with finalization of disclosure of information pertaining to MIL ("Information Memorandum") which will be circulated to the members of NFL at the time of seeking their consent to the proposed Scheme of Amalgamation as a part of explanatory statement to the notice;
2. On the basis of such examination and the discussion with the management of MIL, its directors, other officers and on independent verification of contents of Information Memorandum and other documents furnished to us, WE CONFIRM that:
 - a. The information contained in the Information Memorandum is in conformity with the relevant documents, materials and other papers related to MIL;
 - b. The Information Memorandum contains applicable information pertaining to MIL 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 Amalgamation.

For, Vivro Financial Services Private Limited


Jayesh Vithani
SVP – Capital MarketDate: March 14, 2018
Place: Ahmedabad



NATIONAL FITTINGS LIMITED

APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS (AS PROVIDED IN PART D OF SCHEDULE VIII OF THE ICDR REGULATIONS)

This Document contains information pertaining to unlisted entity involved in the proposed Scheme of Arrangement between **Interfit India Limited** ('IIL' or the 'Transferor Company -1'), **Merit Industries Limited** ('MIL' or the 'Transferor Company - 2') and **National Fittings Limited** ('NFL' or the 'Transferee Company') and their respective shareholders and creditors in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

MERIT INDUSTRIES LIMITED Registered Office & Corporate Office: 26 Damu Nagar Coimbatore- 641045 Telephone: 9943293000; Fax: 0421-2333317; Email: interfitindia@gmail.com, CIN: U17111TZ1996PLC007528 Contact Person: Mr. M. Loganathan (Whole Time Director)		
PROMOTER		
M/s. National Fittings Limited		
DETAILS OF THE SCHEME		
National Fittings Limited has acquired the shares of Merit Industries Limited through a share purchase agreement (between NFL and MIL) thus making it as a wholly owned subsidiary of the Transferee Company. The scheme of arrangement provides that the whole of the Undertaking of the Transferor Companies comprising their entire business, all assets and liabilities of whatsoever nature and where so ever situated, including the immovable properties, if any, shall, under the provisions of Section 232 read with all other applicable provisions, if any, of the Companies Act, 2013 be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern.		
STATUTORY AUDITOR		
M/s Krishaan & Co Chartered Accountants 10 "C" Wing, 6 th floor, ParsnManere, Flat No: 442, Anna Salai, Chennai – 600 006 Phone No.: 044-28205937 Fax: 044-28205937		
INDEX CONTENT		
Sr. No.	Particulars	Page No.
1	Promoters of Merit Industries Limited	2
2	Business Model/Business Overview and Strategy	2
3	Board of Directors of Merit Industries Limited	2
4	Shareholding Pattern as on 15.12.2017	3
5	Audited Financials	3
6	Internal Risk Factors	3
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8	Rationale and Benefits of Scheme of Arrangement	4
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PROMOTERS OF MIL

National Fittings Limited (the “Promoter”)

M/s. National Fittings Limited, a company incorporated under Companies Act, 1956 and listed with Bombay Stock Exchange is engaged in the business of manufacturing complete range of Fittings and Ball Valves in Stainless and Carbon Steel and Grooved Couplings and Fittings from S G Iron Castings.

National Fittings Limited is the Subsidiary Company of Interfit India Limited and Merit Industries Limited is the Wholly Owned Subsidiary of National Fittings Limited.

Promoter of Merit Industries Limited:

Sr. No.	Name of Promoters	No. of Shares Held	% of Holding
1	National Fittings Limited with its Nominees	10,00,000	100%
Total Shareholding		10,00,000	100%

Board of Directors & KMPs of Merit Industries Limited:

Sr. No.	Name of Directors & KMPs	Designation	DIN/PAN
1	A V Palaniswamy	Director	01817391
2	M Loganathan	Whole Time Director	01936839
3	Srinivasan Ramalingam	Director	07446505
4	Prithviraj Alias Bharat Somchand Parikh	Director	00106727
5	Harsh Prithviraj Parikh	Director	00107236

NFL holding 10,00,000 Equity Shares constituting 100% of the Total Share Capital of MIL and MIL is the Wholly Owned Subsidiary Company of NFL.

List of top 5 largest listed group companies as per Part A, Schedule VIII, Regulation 2, Item (IX) (C) (2) SEBI (ICDR) Regulations, 2009

- 1) National Fittings Limited

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

MIL incorporated on 28.10.1996 in the State of Tamilnadu and is an unlisted Public Company. MIL is engaged in the business of manufacturing S G Iron castings for grooved, threaded Ductile Iron pipe fittings.

It is the Wholly Owned Subsidiary Company of National Fittings Limited and it is currently supplying its components to NFL.

BOARD OF DIRECTORS OF MIL

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
1	A V Palaniswamy	Director	Mr A V Palaniswamy, aged about 74 years, is a qualified Engineer with more than 40 years of experience in manufacturing technologies, expertise in achieving best production and marketing skills. He is holding Directorship in National Fittings Limited and Haitima India Private Limited.
2	M Loganathan	Whole Time Director	Mr M Lognathan, aged about 71 years, is a Engineering graduate and has over 30 years experience in manufacturing. Expertise in human



NATIONAL FITTINGS LIMITED

Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience including current / past position held in other firms
			relations and department handling. He is holding Directorship in Interfit India Limited and Haitima India Private Limited.
3	Srinivasan Ramalingam	Director	Mr Srinivasan Ramalingam is a MBA graduate, aged about 48 years, has over two decades experience in marketing and various commercial activities relating to engineering industry. He is holding Directorship in Interfit India Limited and Mansai Machinings Private Limited
4	Prithviraj Alias Bharat Somchand Parikh	Director	Mr Bharat Somchand Parikh, aged about 72 years, has completed his Masters in Engineering in U.S. Returning to India he joined owned business of manufacturing steel. He has over four decades of experience in management of Steel Plants & allied activities, international trade, etc.
5	Harsh Prithviraj Parikh	Director	Mr Harsh Prithviraj Parikh, aged about 39 years, is a graduate of Carnegie Mellon University with a double major in computer science and business and has worked with Citadel Investment Group, a hedge fund based in Chicago.

SHAREHOLDING PATTERN AS ON 15.12.2017

Sr. no.	Particulars	Number of shares	% Holding of share capital
1.	Promoter & Promoter Group	1000000	100%
2.	Public	--	--
	Total	1000000	100%

AUDITED FINANCIALS

(₹ in lacs)

Particulars	Dec. 2017	2016-17	2015-16	2014-15	2013-14	2012-13
Income from Operations	1101.63	1339.50	1104.79	482.24	137.84	172.54
Profit before Tax	27.84	39.16	23.84	15.98	2.35	20.99
Profit after Tax	23.57	37.18	15.29	5.45	7.25	19.44
Equity Paid up Capital	100.00	100.00	100.00	100.00	27.86	5.07
Preference Paid up Capital	600.00	600.00	600.00	600.00	-	-
Reserves and surplus	49.18	25.61	(11.58)	(26.87)	(32.32)	(33.00)
Net Worth	749.18	725.61	688.42	673.13	(4.46)	(27.93)
EPS	2.36	3.72	1.53	0.55	0.83	38.35
Return on net worth (%)	3.15%	5.12%	2.22%	0.81%	-	-
Net Asset Value per Equity Share	14.92	12.56	8.84	7.31	(1.60)	(55.09)

INTERNAL RISK FACTORS

- 1) Non-availability of skilled labour and cost of labour may impact production costs and margin.
- 2) Overseas competition can reduce margin



SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against and by our Company and amount involved – Rs.71.01 Lacs
- B. Brief details of top 5 material outstanding litigations against the Company and amount involved –

Sr. No.	Particulars	Litigation filed by/ challenging order of	Nature of the litigation	Current status	Amount involved (Rs. in Lakhs)
1	Original Suit 424 of 2017 in the Additional District Court, Coimbatore In the said suit I.A. 703 Coimbatore and I.A.704 of 2017 was filed for restraining the sale and the attachment of the Schedule Property mentioned therein respectively	Filed by the Company against its erstwhile employee Mr. D Vimal	Case filed against the employee Mr. D Vimal for misappropriation and swindling of money from the company	The suit and the I.A.'s pending before the Hon'ble Judicial Magistrate, Coimbatore	71.01

- C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any: NIL
- D. Brief details of outstanding criminal proceedings against Promoters: NIL

RATIONALE AND BENEFITS OF SCHEME OF ARRANGEMENT

- 1) Amalgamation of these entities into a single entity enables for sustainable growth in terms of revenue and profits.
- 2) Enable the entity to with stand competition by overseas suppliers by cost effectiveness and large scale economies.
- 3) Backward integration of operations provides for operational integration, assured supply of components and flexibility in operations
- 4) There would an ease in administrative and management decision.
- 5) Amalgamation enables the combined pooling of operational, financial and other resources of the Companies together for deriving optimum benefits

DECLARATION

We hereby declare that all relevant provisions of SEBI Circular and Part D of Schedule VIII of SEBI (ICDR) Regulations, 2009 have been complied with and no statement made in this Document is contrary to the provisions of SEBI Circular or SEBI (ICDR) Regulations, 2009. We further certify that all statements in this Document are true and correct.

For, NATIONAL FITTINGS LIMITED,

A V Palaniswamy
Managing Director

Place: Coimbatore
Date: 14.03.2018



NATIONAL FITTINGS LIMITED

FINANCIAL HIGHLIGHTS

(Rs. in Laksh)

	INTERFIT INDIA LIMITED			MERIT INDUSTRIES LIMITED			NATIONAL FITTINGS LIMITED		
	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
Equity Paid up Capital	364	364	364	100	100	100	832	832	832
Preference Paid up Capital	—	—	—	600	600	600	—	—	—
Reserves and surplus	1464	1473	1221	47	26	(12)	2483	1941	1126
Net Worth	1826	1837	1585	147	126	88	3315	2773	1958
Secured Loans	195	24	35	508	634	360	981	511	613
Unsecured Loans	—	—	—	1	100	248	—	—	—
Fixed Assets	1241	962	668	1551	1607	1816	1352	1198	594
Income from Operations	1629	1980	1700	1443	1339	1104	6195	6706	5218
Other Income	176	180	225	12	66	28	245	244	180
Total Income	1805	2160	1925	1455	1405	1132	6440	6950	5398
Total Expenditure	1681	1669	1533	1420	1366	1108	5278	5354	4288
Profit before Tax	114	491	392	35	39	24	1162	1596	1110
Profit after Tax	103	363	313	21	37	15	743	1014	739
Cash profit	187	420	350	77	120	36	872	1119	860
EPS	2.85	9.96	8.61	2.14	3.72	1.53	8.93	12.19	8.88
Book value	50.16	50.47	43.54	14.70	12.60	8.80	39.84	33.33	23.53



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NATIONAL FITTINGS LIMITED IN ITS MEETING HELD ON WEDNESDAY THE 17TH DAY OF JANUARY, 2018 EXPLAINING THE EFFECTS OF THE SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGEMENT PERSONNEL, PROMOTERS AND NON-PROMOTOR SHAREHOLDERS PURSUANT TO THE PROVISIONS OF SECTION 232 (2) (C) OF THE COMPANIES ACT, 2013

Pursuant to the recommendation of Audit Committee the proposed Scheme of Amalgamation (Scheme) of Interfit India Limited (Transferor Company- 1) and Merit Industries Limited (Transferor Company- 2) with National Fittings Limited (Transferee Company) was approved by the Board of Directors of the Company (Board) vide resolution passed at its meeting held on 17th January, 2018.

A. Having regard to the applicability of the aforesaid provisions, following report was placed before the Board and was duly adopted:

1. For the Scheme, the Valuation Report was obtained from M/s. Rangarajan & Co, Independent Chartered Accountants who had recommended the following share exchange ratio in their report dated 08.01.2018:

“Three (3) Equity Shares of National Fittings Limited (Transferee Company) of face value Rs 10/- each for every Two (2) Equity Shares of Interfit India Limited (Transferor Company – 1) of Rs 10/- each”

2. No Equity Shares are to be issued to the (Transferor Company -2) being Wholly Owned Subsidiary of the Transferee Company.
3.
 - i) In regard to the 600000 Preference shares of Rs 100/- each of the Transferor Company - 2, the holding of 200000 Preference Shares of Rs 100/- each by Transferor company – 1 in Transferor Company – 2 stand cancelled.
 - ii) And for the remaining holders of 400000 Preference Shares of Rs 100/- each they will entitle to one 9% Redeemable Non- cumulative and Non-convertible Preference Shares of Rs. 100/- each for every one fully paid up Preference Shares of Rs 100/- each held by them in the capital of the Transferor Company – 2

Fairness opinion dated 10.01.2018 on the said exchange ratio was also obtained from Vivro Financial Services Private Limited, independent Merchant Bankers

B. As for as the Shareholders of the Transferee Company, the amalgamation of Transferor Company - 1 will result in dilution of holding of Promoter Group substantially. All shareholders of Transferor Company – 1 will get shares of Transferee Company and there will be no change in economic interest of any of the shareholders of the Transferee Company. The paid-up share capital of Transferee Company will increase marginally.



NATIONAL FITTINGS LIMITED

- C. There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferor(s) and Transferee Company. There are no Public Deposits or Debentures; The employees engaged by the Transferor Companies shall continue to be employed by the Transferee Company.

- D. In the opinion of the Board, the said Scheme will be advantageous and beneficial to the Company and its shareholders, creditors and other stake holders.

**For and on behalf of the Board of
Directors of National Fittings Limited**

A V Palaniswamy
Managing Director



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF INTERFIT INDIA LIMITED IN ITS MEETING HELD ON WEDNESDAY THE 17TH DAY OF JANUARY, 2018 EXPLAINING THE EFFECTS OF THE SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGEMENT PERSONNEL, PROMOTERS AND NON-PROMOTOR SHAREHOLDERS PURSUANT TO THE PROVISIONS OF SECTION 232 (2) (C) OF THE COMPANIES ACT, 2013

The proposed Scheme of Amalgamation (Scheme) of Interfit India Limited (Transferor Company- 1) and Merit Industries Limited (Transferor Company- 2) with National Fittings Limited (Transferee Company) was approved by the Board of Directors of the Company (Board) vide resolution passed at its meeting held on 17th January, 2018.

For the Scheme, the Valuation Report was obtained from M/s. Rangarajan & Co, Independent Chartered Accountants who had recommended the following share exchange ratio in their report dated 08.01.2018:

“Three (3) Equity Shares of National Fittings Limited (Transferee Company) of face value Rs 10/- each for every Two (2) Equity Shares of Interfit India Limited (Transferor Company – 1) of Rs 10/- each”

The Company shall be dissolved without winding up pursuant to the Scheme. Accordingly the shareholders of the Company will cease to be shareholders and will receive shares in the Transferee Company in consideration of the amalgamation in the exchange ratio as above.

KMPs of the Company will cease to be KMPs of the Company and become KMPs of the Transferee Company, on the same terms and conditions, as before.

Directors will cease to be the Directors of the Transferor Company.

In the opinion of the Board, the said Scheme will be advantageous and beneficial to the Company and its shareholders, creditors and other stake holders.

**For and on behalf of the Board of
Directors of Interfit India Limited**

M Loganathan
Director



NATIONAL FITTINGS LIMITED

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MERIT INDUSTRIES LIMITED IN ITS MEETING HELD ON WEDNESDAY THE 17TH DAY OF JANUARY, 2018 EXPLAINING THE EFFECTS OF THE SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGEMENT PERSONNEL, PROMOTERS AND NON-PROMOTOR SHAREHOLDERS PURSUANT TO THE PROVISIONS OF SECTION 232 (2) (C) OF THE COMPANIES ACT, 2013

The proposed Scheme of Amalgamation (Scheme) of Interfit India Limited (Transferor Company- 1) and Merit Industries Limited (Transferor Company- 2) with National Fittings Limited (Transferee Company) was approved by the Board of Directors of the Company (Board) vide resolution passed at its meeting held on 17th January, 2018.

The Company is wholly owned subsidiary of the Transferee Company and therefore no shares will be issued by the Transferee Company, pursuant to the Scheme of Arrangement. Thus, there will be no adverse effect of the said Scheme of amalgamation on the Equity Shareholders of the Company.

In regard to the 600000 Preference shares of Rs 100/- each of the Company, the holding of 200000 Preference Shares of Rs 100/- each by Transferor company – 1 in the Company stand cancelled. And for the remaining holders of 400000 Preference Shares of Rs 100/- each they will entitle to one 9% Redeemable Non- cumulative and Non-convertible Preference Shares of Rs. 100/- each of Transferee Company for every one fully paid up Preference Shares of Rs 100/- each held by them in the Company.

KMPs of the Company will cease to be KMPs of the Company.

Directors will cease to be the Directors of the Transferor Company

In the opinion of the Board, the said Scheme will be advantageous and beneficial to the Company and its shareholders, creditors and other stake holders.

**For and on behalf of the Board of
Directors of Merit Industries Limited**

M Loganathan
Director