



November 16, 2022

Ref: Sec/Sto/2022/11/10

Corporate Relationship Department

BSE Limited

Phiroze Jeejeebhoy Towers Dalal Street,
Mumbai – 400001

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Approval of Scheme of Amalgamation

Ref: [Scrip code: 505890] - Kennametal India Limited

Dear Sir / Madam,

In further to our intimation dated December 04, 2020 informing about the scheme of amalgamation ("Scheme of Amalgamation") for merging the wholly owned subsidiary Widia India Tooling Private Limited ("Transferor Company") with Kennametal India Limited ("Transferee Company"), pursuant to sections 230 to 232 and other relevant provisions of the Companies Act, 2013, we hereby inform you that the Hon'ble National Company Law Tribunal ("NCLT"), Bengaluru bench has approved the aforesaid Scheme of Amalgamation vide its enclosed order dated October 17, 2022, duly signed by Deputy / Assistant Registrar NCLT, Bengaluru bench on November 11, 2022 which was made available today.

This intimation is pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations for the time being in force.

We request you to kindly take the same on record.

Thanking You.

Yours Truly,
For **Kennametal India Limited**

Naveen Chandra P
General Manager – Legal & Company Secretary

Encl.: As above

FREE OF COST COPY**IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH****CP (CAA) No. 30/BB/2021****(Second Motion)****U/s. 230-232 of the Companies Act, 2013****IN THE MATTER OF:****Widia India Tooling Private Limited**

Registered Office at:

Survey No. 11, Nagasandra,

Adjacent to Nagasandra Metro Station

Bengaluru-Pune National Highway

Bengaluru- 560 073.

... Petitioner 1/Transferor Company

And**Kennametal India Limited**

Registered Office at:

8/9, Mile, Tumkur Road,

Bengaluru- 560 073.

... Petitioner 2/Transferee Company

Order delivered on: 17th October, 2022**CORAM:**

Hon'ble Shri Kishore Vemulapalli, Member (Judicial)

Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

PRESENT:

For the Petitioner Companies

: Shri. Pramod S.M., Adv.

For IT

: Shri. Ganesh R Ghale, Adv

ORDER**Per: Manoj Kumar Dubey, Member (Technical)**

1. This is a joint second motion petition filed by Widia India Tooling Private Limited (for brevity, the "Petitioner Company No. 1/ Transferor Company") and Kennametal India Limited (for brevity, the "Petitioner Company No.2/ Transferee Company") under Sections 230 and 232 of the Companies Act, 2013 (for short to be referred hereinafter as the 'Act') and in terms of Rule 15 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity, 'Rules') by inter alia seeking for the sanction of Scheme of Amalgamation and Merger (for brevity 'Scheme') of Transferor

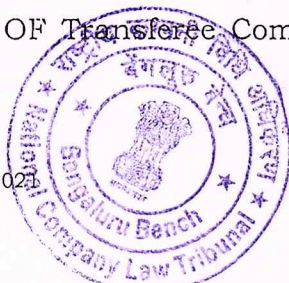


Company with Transferee Company. The joint petition is maintainable in terms of Rule 3 (2) of the Rules.

2. The petitioner companies filed First Motion Application bearing CA (CAA) No. 11/BB/2021 before this Tribunal. And based on such application moved under section 230-232 of the Companies Act, 2013 necessary directions were issued vide order dated 22.02.2021. Details of the First Motion order are as under:

	Transferor Co	Transferee Co
Equity Shareholders	Meeting Dispensed (Consent Obtained)	Convene Meeting (12.04.2021 at 10.30AM)
Secured Creditors	No Secured Creditors	No Secured Creditors
Unsecured Creditors	Meeting Dispensed (Consent Obtained)	Convene Meeting (12.04.2021 at 12.00PM)

3. Pursuant to the First Motion Application, the Tribunal directed to convene the meetings of Equity Shareholders and unsecured creditors of the Transferee Company on 12.04.2021. In compliance to the Order dated 22.02.2021, the aforesaid meetings were held on 12.04.2021 and the report of the Chairperson (Ms. Sandhya Rani A, Advocate) dated 19.04.2021 is attached along with the petition wherein it is stated that in respect of the meeting of equity shareholders of Petitioner Company No.2, the members were permitted to exercise their vote by way of remote e-voting. In the First motion order dated 22/02/2021, the quorum for the meeting of the equity shareholders of the Transferee Company was fixed at 30 members in person or by proxy. On a consolidated basis, valid votes were cast by 55 (Fifty Five) members holding 1,93,07,510 equity shares (representing 87.848% in value of total paid up capital). Out of these, votes for 1,93,07,454 equity shares were cast in favour of the resolution (representing 100% of total voting) and votes for 56 (Fifty Six) equity shares were cast against the resolution (representing nearly 0% of total voting). Therefore, the resolution approving Scheme of Widia Tooling India Private Limited with Kennametal India Limited was approved by the members with requisite majority. It is further stated that the meeting of Unsecured creditors OF Transferee Company was attended either personally or by



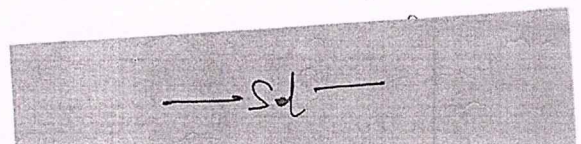
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proxy or by Authorised Representative by 19 (Nineteen) unsecured creditors of the said company entitled together to Rs 357525838.11, representing 50.47% of the value of unsecured creditors of the Company as at 31st December, 2020. In the First Motion order dated 22/02/2021, it was prescribed that the quorum for the meeting will be 30% of the total value of the unsecured creditors, therefore this requirement is fulfilled. The total value of Unsecured Creditors voting in person or by proxy or by Authorised Representative for the resolution was Rs. 357525838.11; and votes cast against the resolution was NIL. Therefore the resolution approving Scheme of Amalgamation of Widia Tooling India Private Limited with Kennametal India Limited was approved by the unsecured creditors with requisite majority. The Scrutinizer (Ms Sowmya Sridhar, Advocate) has also filed the Scrutinizer report dated 12.04.2021, which is attached along with the Petition.

4. When the petition was listed on 25.09.2021, through video conferencing, the following directions were issued:-

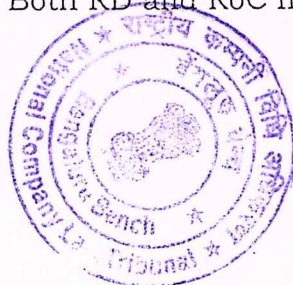
"Admit & Issue notice. Registry is directed to prepare notice on all the statutory authorities viz. the Registrar of Companies, Karnataka, the Regional Director, Hyderabad, The Official Liquidator, The Principal Commissioner of Income Tax, BSE Limited (Stock Exchange), Securities and Exchange Board of India and Reserve Bank of India and the Petitioner is permitted to collect notice from the Registry and serve on all the Statutory Authorities along with material papers and company application personally and as well as by Speed post. The Petitioners is also directed to publish Paper publication in one English Newspaper "The Financial Express" and in one Kannada Newspaper viz. "Kannada Prabha" and to file proof of service in the Registry well before the next date of hearing. The Petitioner is also directed to file reply affidavit to the observation of aforesaid statutory authorities, if any, well before the next date of hearing with a copy served on the respective authority"

5. In pursuant to the aforesaid notice, the authorized signatory of the petitioner companies has filed copies of proof of service of notices vide diary No. 2825



dated 26.10.2021, on the aforesaid authorities and also copies of paper publication of notice of hearing.

6. The main objects, dates of Incorporation, authorized, issued and paid-up share capital, rationale of the scheme and interest of employees have been discussed in detail in first motion order dated 22.02.2021.
7. The Board Resolution of the Petitioner Companies approving the Scheme is annexed as Annexure F and G of the Petition.
8. It is further submitted that the Certificate of Statutory Auditors of the Transferee Company, stating that, the proposed accounting treatment specified in Clause 12 of the Draft Scheme, attached herewith and stamped by them for identification, is in compliance with the applicable accounting standards and other generally accepted accounting principles in India. The aforesaid certificate is attached as Annexure K of the Petition.
9. The audited financial statement as on 30.06.2020 and Unaudited Financial Statement as on 31.12.2021 of the Transferor Company and audited financial statement as on 30.06.2020 and Unaudited Financial Statement as on 31.12.2020 of the Transferee Company are attached as Annexures C, C1, E and E1 of the Petition.
10. As per the Scheme, the "Appointed Date" means 1st day of April, 2021 or such subsequent date (if any) as may be decided by the Board of Directors of the Transferor Company and the Transferee Company or such date as may be approved by the National Company Law Tribunal at Bengaluru or such other appropriate date as the Appropriate Authority may decide. The "Effective Date" means the last of the dates on which the sanctions, approvals, consents, matters or filing referred to on Clause 16 of this Scheme is complied with or obtained or waived as the case maybe. Reference in the Scheme to "upon the Scheme becoming effective" shall mean the Effective Date.
11. The consideration for Amalgamation of the Transferor Company with the Transferee Company has been determined under clause 10 of the Scheme.
12. In pursuant to the notice, the Regional Director (RD) and the Registrar of Companies (ROC) has filed its Common report vide Diary No. 3753 dated 24.12.2021. Both RD and RoC has raised the following observation:



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(a) The Transferee Company is a Listed Company. The Equity shares are listed on the Bombay Stock Exchange. The Transferee Company must show all the compliance of SEBI (Listing Obligations Disclosure Requirements), 2015, as may be applicable and also furnish the acknowledgement with regard to serving of the Scheme on SEBI/BSE.

(b) The Transferor Company is a wholly owned subsidiary of the Transferee Company. Hence, no shares are allotted and there is no share consideration.

(c) The Transferee Company is an Associate company of Kennametal Inc. which is a foreign company registered in USA. The Ultimate Holding Company is Meturit AG.

As per financial statements of the Transferee Company, 75% of shares are held by foreign entities.

Sl. No	Name	No. Equity Shares held	Percentage of Shareholding
1	Kennametal Inc. USA	5,274,840	24
2	Metruit A.G Zug, Switzerland	1,12,08,840	51

9% shares are held by Individuals and remaining 16% by other entities.

(d) The Scheme has been approved by 87.8% of equity shareholders of the Transferee Company and only 50.47% of unsecured creditors of the Transferee Company. The Hon'ble NCLT has waived off/dispensed with the meetings of equity shareholders and unsecured creditors of the Transferor Company. Regarding the consent or otherwise with respect to the remaining unsecured creditors, the company may be asked to furnish the information to the Hon'ble NCLT.

(e) Clause 11 of Part C of the Scheme provides for Clubbing of Authorized Capital. Hence, the Transferee Company shall comply with the provisions of Section 232(3)(i) of the Companies Act, 2013. In this regard, the Transferee Company shall comply with



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provisions of the aforementioned section and pay the difference fee, after setting off the fee already paid by the Transferor Company on its respective capital. In this regard, Transferee Company shall be directed to furnish an undertaking before the Hon'ble NCLT to this effect.

(f) The Transferor Company and the Transferee Company have Related Party Transactions. The Companies may be asked to show the compliance of Section 188 of the Companies Act, 2013 and also the Transferee Company has to show the compliance of SEBI's requirements on Related Party Transactions being a listed company and furnish an undertaking with regard to the compliance in this regard.

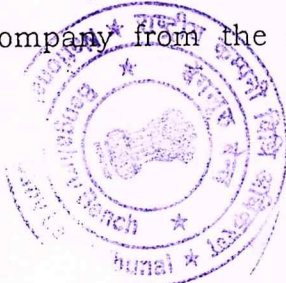
(g) As per the Balance Sheet as on 30.06.2020, the Transferee Company has to pay statutory dues towards Sales Tax, Central Excise, Service Tax and MSME dues, which shall be paid by the Transferee Company as and when demanded by the said statutory authorities.

(h) As per the Scheme, the investments in the shares of the Transferor Company appearing in the books of Transferee Company shall stands cancelled upon approval of the Scheme.

(i) As per the Balance Sheet of the Transferor Company as at 30.06.2020, there is an outstanding loan payable to the Transferee Company. In this regard, Transferor Company may be directed to clarify before the Hon'ble NCLT and also show the compliance of Section 186 of the Companies Act, 2013.

13. Subsequently, reply affidavit to the common report of RD & ROC have been filed by the petitioner companies vide diary No. 210 dated 13.01.2022, inter alia stating as under:-

1. Reply to point 2(a) of the report: The Transferor Company is the wholly owned subsidiary of the Transferee Company. Regulation 37(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular bearing no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, exempts a listed company from the requirement of obtaining No-objection



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certificate from the stock exchange in case of merger of wholly owned subsidiaries. As the Transferor Company is wholly owned subsidiary of Kennametal India Limited, the requirement of obtaining "No-objection certificate" from BSE Limited does not apply. Further, in compliance with the requirement under regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Transferee Company has filed the scheme of amalgamation with BSE Limited for the purpose of disclosure vide letter dated 04th December 2020. Copy of the said letter is attached along with the affidavit.

2. **Reply to point 2(d) of the report:** In Compliance with Section 230(6) of the Companies Act, 2013, the scheme is approved by majority of persons representing three-fourths in value of the unsecured creditors indicated in the meeting of the unsecured creditors held on 12th April 2021. As per point 6(iii) of the Hon'ble National Company law Tribunal order dated 22nd February 2021 the quorum for the unsecured creditors meeting was 30% of the total value of unsecured creditors, either in person or through representative. The said meeting was attended by 19 (Nineteen) unsecured creditors of the company entitled together to Rs.35,75,25,838.11/- representing 50.478% of the value of unsecured creditors of the Company. The company has received 100% consent of the unsecured creditors who attended the meeting and therefore the Company is in Compliance with Section 230(6) of the Companies ACT, 2013 and the Hon'ble National Company Law Tribunal order dated 22nd February 2021.
3. **Reply to point 2(e) of the report:** Clause 11 of Part C of the Scheme provides for clubbing of authorised share capital. The Transferee Company hereby undertakes to comply with the provisions of Section 233(3)(i) of the Companies Act, 2013 and pay the differential fee, after setting off fee already paid by the Transferor Company on its respective capital.
4. **Reply to point 2(f) of the report:** The Transferor and Transferee Company have related party transactions. All the related party transactions entered by the Transferor Company were in the ordinary



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course of business and at arm's length basis. None of the Directors were interested in the said related party transactions.

All the related party transactions entered by the Transferee Company are in ordinary course of business and at arm's length basis. Omnibus approvals were obtained from the Audit Committee for the Related Party Transactions. In accordance with Regulation 23 of Securities Exchange Board of India Listing Obligations and Disclosure Requirements Regulations, 2015 approvals from the shareholders of the Transferee Company were obtained for material related party transactions even though the transactions were in the ordinary course and at arm's length basis. The details of related party transactions of the Transferor Company and the Transferee Company for the year ended 2021 is provided as Annexure B to this affidavit.

5. **Reply to point 2(g) of the report:** It is submitted that Post approval of the Scheme, if it is determined by a final authority of competent jurisdiction that the Transferee Company is liable to pay the statutory dues towards sales tax, central excise, service tax and MSME dues, the Transferee Company undertakes to pay the same.
6. **Reply to point 2(i) of the report:** It is submitted that the amount of outstanding loan payable by the Transferor Company to Transferee Company as on 30th June 2020 is provided below:

Sl. No	Borrowings/Loan availed	Amount (In Millions)
1	Working capital loan availed from Kennametal India Limited	100

The Transferor Company has not granted any loans to the Transferee Company. The Transferee Company has granted a loan to the Transferor Company. The outstanding loan amount was Rs. 100 million as on 30th June 2020. Further, there is no outstanding loan as on 30th June 2021. The Transferor Company being the wholly owned subsidiary of the Transferee Company, the loan transaction is exempt from the provisions of Section 186(3) of the Companies Act, 2013. The financial statements of the Transferor Company as on 30th June 2020



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reflecting the loan transaction is attached as Annexure D to the Affidavit.

14. The Income Tax department has filed its report vide diary No. 1123 dated 21.03.2022 wherein it is observed that there is no demand outstanding against the Transferor Company and there is no Income tax proceedings are pending as per ITBA portal and there is no objection for Merger/Amalgamation, subject to the following:

- (1) *"In case of any Appeal proceedings pending in respect of the Transferor Company, condition should be imposed on the Transferee Company that Revenue is entitled for continuation of appeal proceedings filed by Revenue in respect of Transferor Company."*
- (2) *"It is also pointed out that in case of any transfer/swapping of shares of the shareholders of the Transferor Company with the shares of the Transferee Company, the relinquishment of shares of Transferor Company would give rise to Capital gains in the hands of the shareholders. The amalgamation scheme should impose a condition that the Capital gains arising on such transfer/swapping of shares, should be offered to tax by the shareholders by filing Return of income."*

The Petitioner Companies filed its reply to IT Report vide diary No 1350 dated 30.03.2022 wherein it is stated that the entire Share Capital of the Transferor Company is held by Kennametal India Limited, and the Transferor Company is its wholly owned subsidiary. Accordingly, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the shares of the Transferor Company. Hence, there will not be any share consideration for this amalgamation and the entire share capital of the Transferor Company shall be cancelled and extinguished and it is confirmed that there shall be no swapping of shares pursuant to the scheme of Amalgamation. It is further submitted that as per Section 47 of Income Tax Act, 1961, any capital gain arising pursuant to transfer of assets in a scheme of Amalgamation are exempted from Capital Gains Tax under Income Tax Act, 1961.

15. Official Liquidator (OL) has filed its report vide diary No. 3419 dated 08.12.2021 wherein it is stated that the Chartered Accountant in their



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report in respect of Transferor Company have stated that nothing has come to their attention to conclude that

"The affairs of M/s Widia India Tooling Private Limited has been conducted in a manner prejudicial to

- a. The interest of the members and creditors of each of company*
- b. The Public Interest*
- c. That the Company has not maintained all the records as defined in the Companies Act 2013 and the rules made thereunder and the*
- d. Financial statements provided by the company do not give a true and fair view in accordance with the Financial Reporting Standards 5 as per the provisions of Section 230 to 232 of the Companies Act 2013"*

16. On 13.07.2022 this Tribunal directed to file separate affidavits with regard to Sectoral Regulators, No Pending legal proceedings, Share Exchange Ratio and Valuation report compliance to the above direction was submitted vide diary No 3172 dated 22.07.2022 and the same is taken on record.
17. The reports of the RoC, RD, OL and IT are taken on record. Similarly, reply filed by the petitioner companies to the above mentioned reports are also taken on record.
18. On 22.08.2022, we have heard the learned Counsel for Petitioner Companies and Counsel for IT department and this Tribunal directed the Learned Counsel appearing for the Petitioner companies to file an Affidavit clarifying point No.2(c) of ROC & RD Report along with copies of the intimation given to the Stock Exchanges with regard to the proposed Scheme and clarification on the observation from Stock Exchanges. In response to the above observation the counsel has produced affidavit vide diary No 3603 dated 25.08.2022, and the same is taken on Record.
19. In view of the above discussion, we conclude that the objections/observations to the Scheme received from RD, ROC, OL and IT have been adequately replied by the petitioner companies and hence there is no impediment in approval of the Scheme.
20. The Scheme in question as annexed at Annexure-A is approved and we hereby declare that the same is to be binding on all the shareholders and creditors of the Transferor as well as Transferee Companies. While

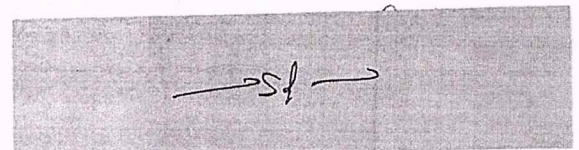


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approving the Scheme, it is clarified that this order should not be construed as an order in anyway granting exemption from payment of any stamp duty, taxes, or any other charges, if any, and payment in accordance with law or in respect of any permission/compliance with any other requirement which may be specifically required under any law. With the sanction of the Scheme, the Transferor Company, namely Widia India Tooling Private Limited shall stand dissolved without undergoing the process of winding up resulting in increase in the authorised share capital of the Transferee Company, namely Kennametal India Limited.

AND THIS TRIBUNAL DOES FURTHER ORDER:

- (i) That the petitioner companies do, within 30 days after the date of receipt of this Order, cause a certified copy of this Order to be delivered to the Registrar of Companies, Karnataka for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without undergoing the process of winding up. The concerned Registrar of Companies shall place all documents relating to the Transferor Company registered with him on the file relating to the said Transferee Company and the files relating to Transferor and Transferee Companies shall be consolidated accordingly, as the case may be; and
- (ii) That the Transferee Company shall deposit an amount of Rs.75,000/- with the Pay & Accounts Office, Chennai in respect of the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad and Rs.25,000/- in favour of The Prime Minister's National Relief Fund, within a period of four weeks from the date of receipt of certified copy of this Order; and
- (iii) That any person interested shall be at liberty to apply this Tribunal in the above matter for any directions that may be necessary.
- (iv) The approval /sanctioning of the Scheme shall not be construed as an exemption from any of the provisions under the Income Tax Act, 1961 or the Companies Act, 2013 and that the authorities under both the Acts, are at liberty to take appropriate action, in accordance with law, if so advised.



21. As per the directions, Form No.CAA-7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, formal orders be issued on the petitioner companies on filing of the Schedule Property i.e., (i) freehold property of the Transferor Company and (ii) leasehold property of the Transferor Company by way of affidavit of the Transferor Company respectively.

22. Accordingly, CP (CAA) No.30/BB/2021, is disposed of. Copy of this Order be communicated to the Counsel for the Petitioner Companies.

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(MANOJ KUMAR DUBEY)
MEMBER (TECHNICAL)



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(KISHORE VEMULAPALLI)
MEMBER (JUDICIAL)
CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL

[Signature]
DEPUTY/ASST. REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
Bengaluru Bench