

KAJARIA CERAMICS LIMITED

[CIN: L26924HR1985PLC056150]

Registered Office: SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road,
Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001 Tel- +91-124-4081281

Corporate Office: J-1/B-1 (Extn), Mohan Co-operative Industrial Estate, Mathura Road,
New Delhi-110044

Phone: +91-11-26946409, **Fax:** +91-11-26946407

Website: www.kajariaceramics.com

Email: investors@kajariaceramics.com

NOTICE TO EQUITY SHAREHOLDERS/CREDITORS

OF

KAJARIA CERAMICS LIMITED

PURSUANT TO ORDER DATED 03.02.2020

PASSED BY

HON'BLE NATIONAL COMPANY LAW TRIBUNAL,

CHANDIGARH BENCH AT CHANDIGARH

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FORM NO. CAA.2
[Pursuant to Section 230(3) and Rule 6 and 7]
BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
CHANDIGARH BENCH, AT CHANDIGARH
COMPANY APPLICATION NO. CA (CAA) NO. 38/CHD/HRY/2019
CONNECTED WITH
CA NO.1072/2019, 1074/2019, 1246/2019

IN THE MATTER OF SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

AND

IN THE MATTER OF SCHEME OF AMALGAMATION OF:

KAJARIA TILES PRIVATE LIMITED (FORMERLY KNOWN AS KAJARIA FLOERA CERAMICS PRIVATE LIMITED), A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 2013, HAVING ITS REGISTERED OFFICE AT SF-11, SECOND FLOOR, JMD REGENT PLAZA, MEHRAULI GURGAON ROAD, VILLAGE SIKANDERPUR GHOSI, GURGAON, HARYANA- 122001, INDIA.

... APPLICANT COMPANY 1/TRANSFEROR COMPANY

AND

KAJARIA CERAMICS LIMITED, A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 1956, HAVING ITS REGISTERED OFFICE AT SF-11, SECOND FLOOR, JMD REGENT PLAZA, MEHRAULI GURGAON ROAD, VILLAGE SIKANDERPUR GHOSI, GURGAON, HARYANA -122001, INDIA.

...APPLICANT COMPANY 2/ TRANSFEREE COMPANY

NOTICE

To,
Equity Shareholders/Creditors
Address

Take notice that by an order dated 03rd February, 2020, the Chandigarh Bench of the Hon'ble National Company Law Tribunal ("Tribunal" or "NCLT") has inter-alia dispensed with the meeting(s) of the Secured/Unsecured Creditors and the Equity Shareholders of Kajaria Ceramics Limited (Transferee Company) and Secured Creditors of Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited)(Transferor Company), subject to strict compliance of the conditions as laid down in the aforesaid Order. Meetings of Unsecured Creditors and Equity Shareholders of Transferor Company were also been dispensed with without any conditions for the purpose of considering and approving the Scheme of Amalgamation between the Applicant Companies as mentioned above.

As per the directions of the Hon'ble NCLT, Chandigarh Bench as set out in the Order dated 03.02.2020, present notice being served by the Company upon its Creditors/Equity Shareholders as on 03.02.2020 having outstanding debt/shares not less than 5% (Five Percent) of the total debt/subscribed share capital of the Company as the case maybe as on the date of order i.e. 03rd February, 2020.

Any Equity Shareholder/creditor to whom the notice has been served may submit their representations, if any, within 30 (Thirty) days of date of receipt of the Notice to the Tribunal and a copy of the same shall be simultaneously served on the Company. If no representation is received within stated period of 30 (Thirty) days, it shall be presumed that you have no objection to the proposed Scheme of Amalgamation.

It is also informed that the Copies of the Notice, said Scheme and Statement under Sections 230 along with the enclosures as indicated in the Index, can be obtained by any of the creditor(s) / Shareholder(s) of the Company free of Cost at the registered office of the Company at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001 on all working days except Saturday, Sunday and Public Holidays.

Take Further Notice that the Board of Directors of Applicant Companies has unanimously approved the said Scheme of Amalgamation on 26.08.2019 in their Board meetings.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

For Kajaria Ceramics Limited

Sd/-
R.C. Rawat
COO (A&T) & Company Secretary
FCS 5101

Dated: 10.02.2020

Place: New Delhi

Registered Office:

Kajaria Ceramics Limited,
SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road,
Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001
CIN - L26924HR1985PLC056150

Enclosed:

- i. Explanatory Statement under Sections 230(3), 232(2) and 102 of the Companies Act, 2013 read with Rules made thereunder.
- ii. Copy of the Order dated 03.02.2020 passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench at Chandigarh ("**NCLT**") – **Annexure 1.**
- iii. Copy of Scheme of Amalgamation – **Annexure 2.**
- iv. Copy of Letter to Registrar for Filling of Scheme of Amalgamation – **Annexure-3.**
- v. Report adopted by the Board of Directors of the Kajaria Tiles Private Limited (formerly known as Kajaria Floera Ceramics Private Limited) pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013 – **Annexure 4.**
- vi. Report adopted by the Board of Directors of the Kajaria Ceramics Limited pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013 – **Annexure 5.**
- vii. Supplementary Provisional accounting statement of Kajaria Ceramics Limited as on 31.12.2019 – **Annexure 6.**
- viii. Supplementary Provisional accounting statement of Kajaria Tiles Private Limited (formerly known as Kajaria Floera Ceramics Private Limited) as on 31.12.2019 – **Annexure 7.**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
CHANDIGARH BENCH, AT CHANDIGARH
COMPANY APPLICATION NO. CA (CAA) NO. 38/CHD/HRY/2019
CONNECTED WITH
CA NO.1072/2019, 1074/2019, 1246/2019**

**IN THE MATTER OF SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES
ACT, 2013 READ WITH COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS)
RULES, 2016**

AND

IN THE MATTER OF SCHEME OF AMALGAMATION OF:

KAJARIA TILES PRIVATE LIMITED (FORMERLY KNOWN AS KAJARIA FLOERA CERAMICS PRIVATE LIMITED), A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 2013, HAVING ITS REGISTERED OFFICE AT SF-11, SECOND FLOOR, JMD REGENT PLAZA, MEHRAULI GURGAON ROAD, VILLAGE SIKANDERPUR GHOSI, GURGAON, HARYANA – 122001, INDIA.

... APPLICANT COMPANY 1/TRANSFEROR COMPANY

AND

KAJARIA CERAMICS LIMITED, A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 1956, HAVING ITS REGISTERED OFFICE AT SF-11, SECOND FLOOR, JMD REGENT PLAZA, MEHRAULI GURGAON ROAD, VILLAGE SIKANDERPUR GHOSI, GURGAON, HARYANA – 122001, INDIA.

...APPLICANT COMPANY 2/ TRANSFEREE COMPANY

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(2) OF THE COMPANIES ACT, 2013 READ WITH
RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. This is the Statement accompanying the Notice conveying the directions given by the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT"), dated 03.02.2020. Pursuant to the said order dated 03rd February, 2020 the Tribunal has inter-alia dispensed with the meeting(s) of the Secured/Unsecured Creditors and the Equity Shareholders of Kajaria Ceramics Limited (Transferee Company) and Secured Creditors of Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited)(Transferor Company), subject to strict compliance of the conditions as laid down in the aforesaid Order. Meetings of Unsecured Creditors and Equity Shareholders of Transferor Company were also been dispensed with without any conditions for the purpose of considering and approving the Scheme of Amalgamation between the Applicant Companies as mentioned above.
2. A copy of the Scheme, which has been, inter alias, approved by the Audit Committee and the Board of Directors of Kajaria Ceramics Limited and by the Board of Directors of Kajaria Tiles Private Limited at its respective meetings held on the 26th day of August, 2019 and filed the same to the NCLT is enclosed herewith as **ANNEXURE -2** to this Notice.
3. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
4. That the Hon'ble NCLT has directed the Company to send notices to the Equity Shareholders who as on the date of the passing the order i.e. 03.02.2020 are having shares amounting to not less than 5 (five) percent of the subscribed share capital of the Company and also to the Secured and Unsecured Creditors

having debt amounting to not less than 5(Five) percent of the total secured or unsecured debt of the Company, as the case may be. Any Person in connection with the proposed Scheme of Amalgamation, aggrieved by the order of Tribunal or by whatever reasons as may think fit, may make representation, if any, to the Tribunal within 30 (Thirty) days of the date of receipt of the Notice and copy of the same representation shall also be served to the Company. If within 30 (Thirty) days of receipt of notice no representation has been made than it shall be presumed that you have no objection to the proposed Scheme.

5. The amalgamation would result in reduction of costs, pooling of business and strategic resources, economies of scale and focused management control. The Scheme is in the interest of all the companies and will help in modernization, growth of the businesses. The amalgamation would enable the consolidation of business and carry on the same more efficiently and effectively.
6. The Scheme is in the interest of all the companies involved and their respective shareholders, creditors, employees and all other concerned and shall help these companies to achieve and fulfil the objectives more efficiently and offer opportunities to the management of companies to vigorously pursue growth of business. The Scheme shall not in any manner be prejudicial to the interest of concerned shareholders or directors or creditors or key managerial personnel or any other stakeholder or general public at large. Further there is no material interest of any director and/ or key managerial personnel of the companies in the present Scheme of Amalgamation.
7. The Board of Directors of all the companies are of the opinion that the above Amalgamation would result in benefit to the shareholders, creditors, employees and other stakeholders of all the companies and all concerned and the Scheme shall not in any manner be prejudicial to the interest of concerned shareholders or creditors or general public at large.
8. A copy of the Scheme setting out the terms and conditions of the Scheme is attached to this Explanatory Statement.
9. Pursuant to Order dated 03.02.2020 passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench, ("NCLT") in the Company Application CA No.1072/2019, 1074/2019, 1246/2019 with CA (CAA) No.38/Chd/Hry/2019, meetings of the Secured/Unsecured Creditors and the Equity Shareholders of the Transferee Company and Secured Creditors of Transferor Company have been dispensed with, subject to strict compliance of the conditions as laid down in the aforesaid Order. Meetings of the Unsecured Creditors and Equity Shareholders of Transferor Company were also been dispensed with without any conditions.

Overview

10. This Scheme provides for the amalgamation of Kajaria Tiles Private Limited (Formerly Known as Kajaria Floera Ceramics Private Limited) (Applicant No.1/Transferor Company) into Kajaria Ceramics Limited (Applicant No.2 / the Transferee Company) and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the relevant Rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and all other applicable provisions of the Act and rules, including any statutory modification(s), amendment(s) or re-enactment(s) thereof in the said Act and Rules for the time being in force with effect from 01.04.2019 ("**the Appointed Date**").
11. This Scheme also provides for matters connected therewith and the Scheme is broadly divided into the various Parts i.e.
Part -I Introduction of Companies including definitions and capital structure
Part-II Re-organisation of Share Capital
Part-III Amalgamation, Transfer and vesting of undertaking
Part-IV Miscellaneous provisions

Particulars of KTPL:

12. Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited) ("Transferor Company" or "KTPL") is Private Limited Company incorporated on 14th October, 2014, under the provisions of the Companies Act, 2013 under the name and style of "Floera Ceramics Private Limited". Thereafter, name of the Transferor Company was changed to "Kajaria Floera Ceramics Private Limited" vide fresh certificate of incorporation dated 28th September, 2017. Further, the name was again changed to "Kajaria Tiles Private Limited" vide the fresh certificate of incorporation dated 16th July, 2019 issued by Registrar of Companies, NCT of Delhi & Haryana. The registered office of KTPL was shifted from the State of Andhra Pradesh to State of Haryana vide Certificate of Registration of Regional Director order for change of state dated 19th June, 2019.

Registered office = SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001

E-mail = info@kajariafloera.com

Corporate Identification Number (CIN) = U26933HR2014PTC081026

Permanent Account Number (PAN) = AACCF4853F.

13. Presently, the main objects of KTPL are set out in its Memorandum of Association. The main objects of KTPL are set out hereunder:

1) To establish and carry on the business of manufacturing, designing, fabricating, refining, treating, processing, buying, selling, importing, exporting and otherwise dealing in all kinds of tiles, ceramic wares, porcelain, earthen ware, stone ware, sanitary ware, insulators, fire bricks, fire clay and other minerals and any other products similar to and required for the aforesaid products.

2) To carry on the business as manufacturers, processors, dealers, distributors, importers and exporters, designers, developers, of earth ware, china fire clay, drain and water pipes, hollow and solid products for partitions and load bearing walls, ceiling blocks and roof bricks and all allied bricks, tiles, terracotta, sanitary ware, plain and art stone ware, glass color and glazes.

3) To carry on the business of manufacturers of and dealers in materials, articles, or goods made or composed wholly or partly of cement, concrete products, lime, clay, gravel, sand, minerals, earth, coke, fuel, china, terracotta and ceramic ware of all kinds.

14. KTPL is engaged in the business of manufacturing, designing, buying, selling and otherwise dealing in tiles and any other products similar to and required for the aforesaid products.

15. The authorized, issued, subscribed and paid-up share capital of KTPL as on 3rd February, 2020 is as under:

Particulars	Amount (in Rs)
<u>Authorized Capital</u>	
2,50,00,000 Equity Shares of Rs.10/- each	25,00,00,000
Total	25,00,00,000
<u>Issued, subscribed and fully paid-up capital</u>	
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000
Total	10,00,00,000

Subsequent to 03rd February, 2020, there has been no change in the authorised, issued, subscribed and paid up share capital of KTPL.

16. The securities of KTPL are not listed on any stock exchange in India.
17. The details of the promoters and directors of KTPL as on 03rd February, 2020, along with their addresses are as follows:

Sr. No.	Name	Registered Office Address/Address	
Promoters			
1.	Kajaria Ceramics Limited	SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001	
Directors			
1	Mr. Ramkishan Sharma	Director	D-512, Gyandeeep Apartments, Sector 11, Vasundhara, Ghaziabad 201012
2.	Mrs. Venkata Visalakshi Manthena	Whole Time Director	74-4-13, Prakash Nagar Near Ladies Club, Rajahmundry 533103
3.	Mr. Vishal Rastogi	Director	B-2/119, Block B, Pocket 2, Sector 16, Rohini, Delhi 110089

Particulars of KCL:

18. Kajaria Ceramics Limited ("Applicant Company" or "Transferee Company" or "KCL") is Listed Public Company incorporated on 20th December, 1985, under the Companies Act, 1956, with the Registrar of Companies, Kanpur under the name and style of "Kajaria Ceramics Limited". The Certificate for Commencement of Business was received on 20th January, 1986. The registered office of KCL was shifted from the State of Uttar Pradesh to State of Haryana vide Certificate of Registration of Regional Director order for Change of State dated 27th July, 2015.

Registered Office = SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001

Email Address = investors@kajariaceramics.com

Corporate Identification Number (CIN) = L26924HR1985PLC056150

Permanent Account Number (PAN) = AABCK1613R.

19. The objects for which KCL has been established are set out in its Memorandum of Association. The main objects of KCL are set out hereunder:

1) To carry on trade or business to manufacture, produce, buy, sell, import, export and otherwise generally deal in any kinds and description of tiles including ceramic, polished vitrified, glazed vitrified and unglazed tiles for domestic, commercial, industrial and outdoor applications for walls, floor and roofings, sewer pipes, drain pipes, concrete pipes and pipes of all descriptions and all kinds acidic, basic, high alumina, high silica, high grog and natural other and all other types, shapes and sizes of refractories and ceramics and all chemical formulations, organic or inorganic descriptions and categories for use in steel plants, mini-steel plants, furnaces, power houses and all kinds of industries, research, development and for any other use or purpose and for that purpose to set up all plants and machinery and related equipments including oil, fired or gas fired rotating calcining kilns and other ovens and to carry all business for the manufacture of all kinds and descriptions of refractories and ceramics, all kinds of bathware & sanitarywares (including bathware & sanitarywares made of plastic, fibreglass or any other synthetic products) glass and glasswares, china, terracotta, porcelain products, bricks, building material, vinyl, vinyl asbestos and solid vinylware, adhesive vinyl covebase, poles, blocks, lime, limestone, crockery, pottery, tablewares hotelwares, decorative wares, gardenwares, earthenwares, stonewares,

pressedwares tiles, pottery, pipes, insulators of all descriptions and/or products thereof and all kinds of cement (ordinary white coloured Portland alumina heat furnaces, silica), cement products.

2) To purchase, take / give on lease or otherwise acquire/ sold freehold and other lands, properties, mines, mining rights and metalliferous land and any interest therein and to explore, exercise, develop and turn to account the same and to crush, smelt, calcine, refine, dress, raise, get win, fabricate, grind, amalgamate, manipulate and prepare for market, purchase, sell and otherwise deal in ore, mineral sands, stones, artificial stones, metal and mineral substances of all kinds and to carry on any other operations in connection therewith.

3) To carry on all or any of the business of producers, manufacturers, suppliers, distributors, transformers, converters, transmitters, generator, processors, developers, storers, procurers, sellers, carriers and dealers in electricity, all forms of energy (renewable and non-renewable) and any such products and by products derived from such business including without limitation, stream, fuels, ash, conversion of ash into bricks and any products derived from or connected with any other form of energy, including without limitation to conventional sources such as heat, thermal, hydel and /or from non-conventional sources such as tidal ware, wind, solar, geothermal, biological, biogas and coal bed methane.

20. KCL is engaged in the business of manufacture, produce, buy, sell, import, export and otherwise generally deal in any kinds and description of tiles and other allied products.
21. The Transferee Company (KCL) is the Holding Company (100% Holding) of the Transferor Company (KTPL).
22. There has been no change in the name of KCL during the last five years.
23. The equity shares of KCL are listed on BSE Limited and National Stock Exchange of India Limited.
24. The authorized, issued, subscribed and paid-up share capital of KCL as on 3rd February, 2020 is as under:

Particulars	Amount (In Rs.)
<u>Authorized Capital</u>	
52,00,00,000 Equity Shares of Re.1/- each	52,00,00,000
77,10,000 Preference Shares of Rs.100/- each	77,10,00,000
Total	129,10,00,000
<u>Issued, Subscribed And Fully Paid-Up Capital</u>	
15,89,50,300 Equity Shares of Re.1/- each	15,89,50,300
Total	15,89,50,300

Subsequent to 3rd February, 2020, KCL has allotted 6,900 equity shares of Re.1 to those grantees who had exercised their options under Kajaria Ceramics Employee Stok Option Scheme, 2015 ('ESOP 2015') of KCL. The issued, subscribed and paid-up share capital of KCL as on 10th February, 2020 is as under:

<u>Issued, Subscribed And Fully Paid-Up Capital</u>	
15,89,57,200 Equity Shares of Re.1/- each	15,89,57,200
Total	15,89,57,200

25. The details of the promoters and present directors of KCL as on 3rd February, 2020 along with their addresses are as follows:

Sr. No.	Name	Address
Promoters / Promoter Group		
1.	Mr. Ashok Kajaria	F-200, Sainik Farms, New Delhi- 62
2.	Mrs. Versha Kajaria	F-200, Sainik Farms, New Delhi- 62
3.	Mr. Chetan Kajaria	F-200, Sainik Farms, New Delhi- 62
4.	Mr. Rishi Kajaria	F-200, Sainik Farms, New Delhi- 62
5.	Mrs. Rasika Kajaria	F-200, Sainik Farms, New Delhi- 62
6.	Mrs. Shikha Kajaria	F-200, Sainik Farms, New Delhi- 62
7.	Mr. Raghav Kajaria	F-200, Sainik Farms, New Delhi- 62
8.	Mr. Kartik Kajaria	F-200, Sainik Farms, New Delhi- 62
9.	Mr. Vedant Kajaria	F-200, Sainik Farms, New Delhi- 62
10.	Mr. Parth Kajaria	F-200, Sainik Farms, New Delhi- 62
11.	A. K. Kajaria (HUF)	F-200, Sainik Farms, New Delhi- 62
12.	Chetan Kajaria (HUF)	F-200, Sainik Farms, New Delhi- 62
13.	Rishi Kajaria (HUF)	F-200, Sainik Farms, New Delhi- 62
14.	VK Trustees Private Limited (In its capacity as sole trustee Of Versha Kajaria Family Private Trust)	J-1/B-1, (Extn.), Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-44
15.	CK Trustees Private Limited (In its capacity as sole trustee of Chetan Kajaria Family Private Trust)	J-1/B-1, (Extn.), Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-44
16.	RK Trustees Private Limited (In its capacity as sole trustee of Rishi Kajaria Family Private Trust)	J-1/B-1, (Extn.), Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-44

Sr. No.	Name	Designation	Address
Directors			
1.	Mr. Ashok Kajaria	Chairman & Managing Director	F-200, Sainik Farms, New Delhi- 62
2.	Mr. Raj Kumar Bhargava	Director	C-390, Defence Colony New Delhi New Delhi- 24
3.	Mr. Chetan Kajaria	Joint Managing Director	F-200, Sainik Farms, New Delhi- 62
4.	Mr. Rishi Kajaria	Joint Managing Director	F-200, Sainik Farms, New Delhi- 62
5.	Mr. Dev Datt Rishi	Director	B-45, Sector-14, Noida Gautam Budh Nagar, Uttar Pradesh-201301
6.	Mr. Debi Prasad Bagchi	Director	601-A, Hamilton Court DLF City,Phase-IV, Gurgaon, Haryana-122009

7.	Mr. H. Rathnakar Hegde	Director	253/1002, Terrazo Krishvi, Old Hal, 2nd Stage, Bangal 1 Cross 10, Main Defence Colony, Bangalore, Karnataka 560038
8.	Mrs. Sushmita Singha	Director	E-421, First Floor, Greater Kailash-2, New Delhi-110048

Relationship subsisting between the Companies who are Parties to the Scheme:

26. KTPL is a Wholly Owned Subsidiary of KCL. As on 03rd February, 2020, KCL directly and indirectly holds 1,00,00,000 equity shares of face value of Rs 10/- each fully paid up comprising of 100% of total paid up share capital of KTPL.

Board Meeting approving the Scheme of Amalgamation:

27. At the meeting held on 26th August, 2019, The Board of Directors of KTPL had unanimously approved the proposed Scheme of Amalgamation.
28. At the meeting held on 26th August, 2019, based on the recommendations of the Audit Committee, the Board of Directors of KCL had unanimously approved the proposed Scheme of Amalgamation.

29. Brief details of the Scheme

S.No.	Particulars	Particulars
i.	Parties involved in the Scheme	- Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited) - Kajaria Ceramics Limited
ii.	Scheme of Amalgamation	The Scheme provides for the amalgamation of KTPL into KCL in the manner set out in the Scheme and in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of law;
iii.	Appointed Date	01 st April, 2019 or such other date as may be approved by the Hon'ble National Company Law Tribunal, Bench at Chandigarh or any other competent authority;
iv.	Effective Date	Means the Appointed Date or such other date as may be approved by the National Company Law Tribunal, Chandigarh Bench.
v.	Summary of Valuation Report	Not Applicable
vi.	Summary of Fairness Opinion report	Not Applicable

vii.	Rationale of the Scheme or the Benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others	<p>a) Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and Transferee Company;</p> <p>b) The proposed transaction will result in the establishment of a larger company with more capable resources, a sufficient capital base and a greater capacity to raise funds for expansion, modernization and development of the businesses of the companies concerned.</p> <p>c) The proposed transaction will further achieve various operational, technical and marketing synergies resulting in better management of logistics, control, administration and centralization. It will also help to achieve economies of scale, reduction in overheads and other expenses, reduction in administrative and procedural work better and more productive utilization of various resources and ultimately to avoid general administrative burden and cost triggered by running two separate legal entities under the same group.</p> <p>d) Would enable focused strategic leadership and top management attention to be bestowed on the Undertaking of the Transferor Company so as to integrate the business synergies and reap the benefits of consolidation; and</p> <p>e) Improvement in competitive position of the Transferee Company as a combined entity and also achieving economies of scale.</p>
viii.	Amounts due to unsecured creditors as on 03 rd February, 2020	<p>Kajaria Tiles Private Limited (Formerly Known as Kajaria Floera Ceramics Private Limited):</p> <p>KTPL has 195 Unsecured Creditors having an outstanding balance of Rs. 193,10,64,582 as on 03.02.2020.</p> <p>Kajaria Ceramics Limited:</p> <p>KCL has 5,116 Unsecured Creditors having an outstanding balance of Rs. 2,29,45,30,339 as on 03.02.2020.</p>

30. Key salient features of the Scheme

i. Amalgamation of the KTPL into KCL

- (a) "Appointed Date" means 01st April, 2019 (01st day of April, Two Thousand and Nineteen) or such other date as may be approved by the National Company Law Tribunal, Chandigarh or Such other competent authority may approve, from which the assets and liabilities, described hereinafter, of the Transferor Company shall stand transferred to and vested in or shall be deemed to stand transferred to or vested in the Transferee Company without any further act, instrument, deed or thing.

- (b) "Effective Date" Means the Appointed Date or such other date as may be approved by the National Company Law Tribunal, Chandigarh. Any references in this Scheme to the date of the "upon coming into effect of the Scheme" or the "upon the scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.
- (c) "NCLT" Means the applicable bench(es) of the National Company Law Tribunal, Chandigarh Bench having jurisdiction in relation to the Transferor and Transferee Company.
- (d) Amalgamation and transfer and vesting of KTPL into KCL:
With effect from the Appointed Date or such other date as may be fixed or approved by the Tribunal and upon the Scheme becoming effective, KTPL shall pursuant to the sanction of this Scheme by the Tribunal and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 as applicable be and stand transferred to and vested in or be deemed to have been transferred to and vested in KCL, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the assets and liabilities of KCL by virtue of and in the manner provided in the Scheme.
- (e) **Consideration:** As the Transferor Company (KTPL) is a wholly-owned subsidiary of the Transferee Company (KCL), the entire share capital of the Transferor Company (KTPL) is held by the KCL. Therefore, upon Scheme of Amalgamation becoming effective, all shares held by the KCL as on effective date shall stand cancelled, without any further act or deed. Accordingly, in respect of the Scheme of Amalgamation, other than extinguishment of the shares held by KCL in the KTPL, no consideration whatsoever shall pass from the KCL.
- (f) All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing and completing the terms and provisions of the Scheme and/or and incidental to the completion of the amalgamation of the said undertaking of the Transferor Company in pursuance of this Scheme shall, except as specifically provided herein be borne and paid by the Transferee Company.

YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE KEY SALIENT PROVISIONS OF THE SCHEME.

- 31. The accounting treatment as proposed in the Scheme is in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India and specifically under 'Pooling of Interest Method' of accounting as laid down in Appendix C of IND-AS 103 (Business Combinations of entities under common control) as under. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.
- 32. **Details of capital or debt restructuring, if any;** Not Applicable
The present Scheme is not a Scheme of Corporate Debt Restructuring as envisaged under Section 230(2) (c) of the Act or a Scheme of compromise or arrangement under Section 230 of the Act.
- 33. **Approvals/ Sanctions/ No-Objections from Regulatory or any Governmental Authorities**

Pursuant to Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated February 15, 2017 and the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the regulation shall not apply to draft schemes which solely provides for merger of a Wholly Owned Subsidiary with the Holding Company.

Therefore, Kajaria Ceramics Limited has filed the certified copy of the Scheme of Amalgamation and certified copies of the resolution(s) passed by the Board of Directors of the KCL and KTPL with the Stock Exchange on 24th of September, 2019.

34. Effect of the Scheme on various parties

i. **Directors and Key Managerial Personnel ('KMP')** – There will be no effect of the Scheme on the Directors and Key Managerial Personnel's of KCL. The Directors of KTPL will cease to be Directors of KTPL and the Key Managerial Personnel's (KMPs) who are employees of the KTPL will become employees of KCL.

ii. **Promoter & Non-Promoter Shareholders of KTPL and KCL:**

Upon the Scheme becoming effective, 100% of the equity shares of KTPL held by KCL will be cancelled and authorised share Capital of KCL shall stand increased by vesting the authorised share capital of KTPL as on the date of filing of order, without any further act or deed.

Accordingly, Equity shareholders (i.e. promoters and non-promoters shareholders) of KTPL will cease to be shareholder of KTPL. Thus, the rights and interest of the Promoters and Non-Promoter Shareholders of KCL will not be prejudicially affected by the Scheme.

iii. **Depositors and Deposit Trustee:** Neither KTPL nor KCL has accepted any deposits.

iv. **Creditors** – The rights and interest of the creditors of KCL will not be prejudicially affected by the Scheme of Amalgamation as KTPL is wholly owned subsidiary of KCL.

The creditors of KTPL will be transferred to KCL after the scheme of amalgamation is approved by the Hon'ble National Company Law Tribunal. There will be no impact on the rights and interest of creditors post sanction of the scheme.

v. **Debenture Holders and Debenture Trustees** - Neither KTPL nor KCL has issued any debentures.

vi. **Employees**

Employees of KTPL- As per Clause 13 of the Scheme, All the staff and other employees, if any, in the service of the KTPL immediately preceding the Effective Date shall become staff and employees of the KCL.

Employees of KCL-The rights and interests of employees of KCL will not be prejudicially affected by the Scheme since their terms or rights are not sought to be modified in any manner.

35. Effect on material interest of Director, KMP and Debenture Trustee

i. **Director and/ or KMP**- There will be no effect of the Scheme on the Directors and Key Managerial Personnel's of KCL. The Directors of KTPL will cease to be Directors of KTPL and the Key Managerial Personnel's (KMPs) who are employees of the KTPL will become employees of KCL.

ii. **Debenture Trustee**- Neither KTPL nor KCL has issued any debentures

36. Details of the present Directors and Key Managerial Personnel (KMP) and their respective equity shareholding as on 03rd February, 2020 are as follows:

KTPL:

S.No.	Name of the Directors and KMPs of KTPL	No. of shares held in KCL	% shareholding in KCL	No. of shares held in KTPL	% shareholding in KTPL
Directors & KMPs					
1.	Mr. Ramkishan Sharma, Director	-	-	-	-
2.	Mrs. Venkata Visalakshi Manthena, Whole Time Director	-	-	-	-
3.	Mr. Vishal Rastogi, Director	-	-	-	-
4.	Mr. Vikram Khaitan, CFO	-	-	-	-
5.	Mr. Archit Jain, CS	-	-	-	-

KCL:

Sr.No.	Name of the Directors and KMPs of KCL	No. of shares held in KCL	% shareholding in KCL	No. of shares held in KTPL	% shareholding in KTPL
Directors & KMPs					
1.	Mr. Ashok Kajaria, Chairman & Managing Director	1047004	0.66	100*	0.001%
2.	Mr. Chetan Kajaria, Joint Managing Director	1339880	0.84	-	-
3.	Mr. Rishi Kajaria, Joint Managing Director	1805716	1.14	-	-
4.	Mr. Raj Kumar Bhargava, Director	18592	0.01	-	-
5.	Mr. Dev Datt Rishi, Director	624	0.00	-	-
6.	Mr. H. Rathnakar Hegde, Director	-	-	-	-
7.	Mr. Debi Prasad Bagchi, Director	-	-	-	-
8.	Mrs. Sushmita Singha, Director	-	-	-	-
9.	Mr. Ram Chandra Rawat, CS	-	-	-	-
10.	Mr. Sanjeev Agarwal, CFO	-	-	-	-

*As Nominee of KCL

37. Capital Structure- Pre and Post Scheme

Pre & Post Scheme Capital structure of KTPL & KCL will be as under:

KTPL:

Particulars	Pre-Scheme	
	No. of Shares	Amount (Rs.)
Authorised Share Capital:		
Equity Shares of Rs.10/- each	2,50,00,000	25,00,00,000
Total	2,50,00,000	25,00,00,000
Issued, Subscribed & Fully Paid Up Share Capital:		
Equity Shares of Rs.10/- each	1,00,00,000	10,00,00,000
Total	1,00,00,000	10,00,00,000

Post Scheme: Not Applicable as KTPL would be merged with KCL and post Scheme, KTPL will be dissolved without going through the process of winding up.

KCL:

Particulars	Pre-Scheme		Post-Scheme (Expected)	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Authorised Share Capital:				
Equity shares of Re. 1/- each	52,00,00,000	52,00,00,000	77,00,00,000	77,00,00,000
Preference Shares of Rs.100/- each	77,10,000	77,10,00,000	77,10,000	77,10,00,000
Total	52,77,10,000	1,29,10,00,000	77,77,10,000	1,54,10,00,000
Issued, Subscribed & Fully Paid Up Share Capital:				
Equity shares of Re. 1/- each	15,89,57,200*	15,89,57,200*	15,89,57,200*	15,89,57,200*
Total	15,89,57,200	15,89,57,200	15,89,57,200	15,89,57,200

6900 equity shares were allotted on 10th February, 2020 as per ESOP 2015.

38. Shareholding Pattern- Pre and Post Scheme

KTPL

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding on 3 rd February, 2020	
		No. of shares	%
1.	Kajaria Ceramics Limited	99,99,900	99.999%
2.	Mr. Ashok Kajaria (Nominee of Kajaria Ceramics Limited)	100	0.001%
Total		1,00,00,000	100.00%

Post Scheme: Not Applicable as KTPL would be merged with KCL pursuant to the Scheme and entire Pre-Scheme Paid-up Equity Share Capital of KTPL shall stand cancelled in pursuance of the Scheme.

KCL

Sr. No.	Description	Pre-Scheme shareholding as on 3 rd February, 2020		Post-Scheme shareholding of KCL (Expected)	
		No. of shares	% of (A+B+C)	No. of shares	% of (A+B+C)
(A)	PROMOTER AND PROMOTER GROUP				
1.	Indian				
(a)	Individuals / Hindu Undivided Family	1,09,55,364	6.89%	1,09,55,364	6.89%
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-
(d)	Any other:				
	Trust	6,46,69,867	40.69%	6,46,69,867	40.69%
	Sub-Total A(1):	7,56,25,231	47.58%	7,56,25,231	47.58%
2.	Foreign				
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-
(b)	Government	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-
(e)	Any Other (specify)	-	-	-	-
	Sub-Total A(2) :	-	-	-	-
	Total A=A(1)+A(2)	7,56,25,231	47.58%	7,56,25,231	47.58%
(B)	PUBLIC SHAREHOLDING				
1.	Institutions				
(a)	Mutual Funds/UTI	2,08,69,218	13.13%	2,08,69,218	13.13%
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternate Investment Funds	4,42,360	0.28%	4,42,360	0.28%
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	3,80,64,946	23.95%	3,80,64,946	23.95%
(f)	Financial Institutions/ Banks	6,880	0.00%	6,880	0.00%
(g)	Insurance Companies	2,26,792	0.14%	2,26,792	0.14%
(h)	Provident Funds/ Pension Funds	-	-	-	-
(i)	Any other (specify)	-	-	-	-
	Sub-Total B(1) :	5,96,10,196	37.50%	5,96,10,196	37.50%
2.	Central Government/ State Government(s)/ President of India	6,78,353	0.43%	6,78,353	0.43%

Sr. No.	Description	Pre-Scheme shareholding as on 3 rd February, 2020		Post-Scheme shareholding of KCL (Expected)	
		No. of shares	% of (A+B+C)	No. of shares	% of (A+B+C)
	Sub-Total B(2):	6,78,353	0.43%	6,78,353	0.43%
3.	Non-Institutions				
(a)	Individual shareholders holding nominal share capital up to Rs. 2 lakhs	1,50,49,027	9.47%	1,50,49,027	9.47%
	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	20,00,000	1.26%	20,00,000	1.26%
(b)	NBFCs registered with RBI	-	-	-	-
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (holding DRs)	-	-	-	-
(e)	Any Other				
	I. Other Bodies Corporate	47,35,041	2.98%	47,35,041	2.98%
	II. a) NRI with REPAT	4,88,708	0.31%	4,88,708	0.31%
	II. b) NRI without REPAT	2,93,167	0.18%	2,93,167	0.18%
	III. Trust	19,865	0.01%	19,865	0.01%
	IV. Cooperative Societies	5,000	0.00%	5,000	0.00%
	V. Education Institutions	-	-	-	-
	VI. OCB	-	-	-	-
	VII. Foreign Companies	-	-	-	-
	VIII. Investor Education and Protection Fund Authority	4,45,712	0.28%	4,45,712	0.28%
	Sub-Total B(3):	2,30,36,520	14.49%	2,30,36,520	14.49%
	Total B=B(1)+B(2)+B(3):	8,33,25,069	52.42%	8,33,25,069	52.42%
(C)	NON PROMOTER- NON PUBLIC				
1.	Custodian/DR Holder	-	-	-	-
2.	Shares held by Employee Trust	-	-	-	-
	Total C= C(1)+C(2):	-	-	-	-
	GRAND TOTAL (A+B+C):	15,89,50,300	100.00%	15,89,50,300	100.00%

As the Transferor Company (KTPL) is a wholly-owned subsidiary of the Transferee Company (KCL), there will be no issue of entity shares of KCL and hence, there will be no change in the shareholding pattern of the KCL pursuant the Scheme of Amalgamation becoming effective.

39. The copy of draft scheme has been filed with the Registrar of Companies on 11th February, 2020 and the proof of the same is enclosed herewith as **ANNEXURE-3** of the notice.
40. No investigation or proceedings have been instituted or are pending under applicable provisions of Companies Act, 2013 against KCL.

41. No winding up petition has been admitted against KCL.
42. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and will be of no effect and will be null and void
43. The following documents will be open for inspection by the equity shareholders, creditors of KCL and KTPL up to end of 30 days of serving the Notice at its registered office between 10:00 A.M. and 12:00 Noon on all working days, except Saturdays, Sundays and Public Holidays:
 - i. Copy of the Order dated 03.02.2020 of NCLT passed in Company Application No. 38/CHD/HRY/2019 of 2019 connected with connected CA No. 1072/2019, 1074/2019, 1246/2019;
 - ii. Copy of the Company Application No. 38/CHD/HRY/2019 of 2019 connected with connected CA No. 1072/2019, 1074/2019, 1246/2019;
 - iii. Copy of Scheme of Amalgamation;
 - iv. Memorandum and Articles of Association of KTPL & KCL;
 - v. Annual Report of KTPL & KCL including audited financial statements for the financial year ended 31st March, 2019;
 - vi. Certificates issued by respective Statutory Auditors of KTPL & KCL in relation to the accounting treatment prescribed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of Companies Act, 2013;
 - vii. Register of Director's Shareholdings of KTPL & KCL.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013. A copy of the Scheme and Explanatory Statement may be obtained from the Registered Office of KCL.

For Kajaria Ceramics Limited

**Sd/-
R.C. Rawat
COO (A&T) & Company Secretary
FCS 5101**

Dated: 10th February, 2020

Place: New Delhi

Registered Office:

Kajaria Ceramics Limited,
SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road,
Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001
CIN - L26924HR1985PLC056150

**NATIONAL COMPANY LAW TRIBUNAL
"CHANDIGARH BENCH, CHANDIGARH"**

**CA No.1072/2019, 1074/2019, 1246/2019
And
CA (CAA) No.38/Chd/Hry/2019**

**Under Section 230-232 of the
Companies Act, 2013**

In the matter of Scheme of Amalgamation between:

**Kajaria Tiles Private Limited (Formerly known as
Kajaria Floera Ceramics Private Limited)**

having its registered office at
SF-11, Second Floor, JMD Regent Plaza,
Mehrauli Gurgaon Road, Village Sikanderpur Ghosi,
Gurgaon, Haryana 122001 India
(PAN: AACCF4853F)

Applicant No.1/Transferor Company

With

Kajaria Ceramics Limited

having its registered office at
SF-11, Second Floor, JMD Regent Plaza,
Mehrauli Gurgaon Road, Village Sikanderpur Ghosi,
Gurgaon, Haryana 122001 India
(PAN:AABCK1613R)

Applicant No.2/Transferee Company

Order delivered on: 03.02.2020

**Coram: HON'BLE MR AJAY KUMAR VATSAVAYI, MEMBER (JUDICIAL)
HON'BLE MR PRADEEP R. SETHI, MEMBER (TECHNICAL)**

For the Applicants : 1. Mr. Anand Chhibbar, Senior Advocate
2. Mr. Vaibhav Sahni, Advocate
3. Ms. Shreya Bhakoo, Advocate
4. Mr. Rupesh Agarwal, Practising Company Secretary

Per: Pradeep R. Sethi, Member (Technical)

ORDER

CA No.1072/2019, 1074/2019, 1246/2019

These CAs are filed for placing on record additional documents relating to the Scheme of Amalgamation. The same are taken on record and the CAs are disposed of.

CA (CAA) No.38/Chd/Hry/2019

This is the joint First Motion Application filed by Applicant Companies herein, namely; Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited), Applicant No. 1/Transferor Company and Kajaria Ceramics Limited, Applicant No. 2/Transferor Company seeking sanction of the scheme of Amalgamation (hereinafter referred to as the "Scheme") in connection with the proposed Scheme of Amalgamation (for short the "Scheme") Annexure A-1 of Applicant Transferor Company with Applicant Transferee Company under Sections 230 to 232 of the Companies Act, 2013 (for brevity, the 'Act') and other applicable provisions read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity, the 'Rules'). The joint Application is maintainable in terms of Rule 3(2) of the Rules. The affidavits of Mr. Ramkishan Sharma, Authorised Signatory of Applicant Company No.1 and Mr. R.C.Rawat, Authorised Signatory of Applicant Company No. 2 have been filed in support of the joint application.

2. It is stated that the Board of Directors of the Applicant Companies unanimously approved 'Scheme' by passing their respective

CA No.1072/2019, 1074/2019, 1246/2019

And

CA (CAA) No.38/Chd/Hry/2019

Board Resolutions dated 26.08.2019 subject to sanctioning of the Scheme by this Tribunal. The Transferor Companies No.1 has authorized Mr. Ramkishan Sharma, Director, Mr. Venkata Rajani Kumar Dirisala, Director-Technical and Mr. Vishal Rastogi, Director and the Transferee Company has authorized any of its Director, Mr. R.C. Rawat, COO(A&T) & Company Secretary and Mr. Sanjeev Agarwal, Chief Financial Officer of the Company, severally to do all the such acts, deeds, matters and things as may be deemed necessary and incidental to give effect to the resolution. Copies of these Board Resolutions are at Annexure A-5 & A-13 of the application.

3. As per the Memorandum and Articles of Association (Annexure A-2), the main objects of Transferor Company are as follows: -

“1. To establish and carry on the business of manufacturing, designing, fabricating, refining, treating, processing, buying, selling, importing, exporting and otherwise dealing in all kinds of tiles, ceramic wares, porcelain, earthen ware, stone ware, sanitary ware, insulators, fire bricks, fire clay and other minerals and any other products similar to and required for the aforesaid products.”etc.

4. It was submitted that as per the Certificate of Incorporation of The Transferor Company was incorporated on 14.10.2014 as a Private Limited Company under the name of “*Floera Ceramics Private Limited*”. The name of the Transferor Company was changed to “*Kajaria Floera Ceramics Private Limited*” on 28.09.2017 and was further changed to “*Kajaria Tiles Private Limited*” on 16.07.2019 vide Certificate of Incorporation issued by Registrar of Companies, Delhi. The registered office of the Transferor Company was shifted from the State of Andhra Pradesh to the State of Haryana and a fresh Certificate of Incorporation dated 19.06.2019 was issued by the Registrar of Companies, Delhi. Its CIN is U26933HR2014PTC081026. The Certificate of Incorporation and Memorandum and Article of Association have been annexed

as Annexure A-2(Colly).

5. The authorized, issued, subscribed and paid-up share capital of Transferor Company as on 31.03.2019 is as under:

PARTICULARS	AMOUNT in (₹)
AUTHORIZED CAPITAL	
2,50,00,000 Equity Shares of ₹10/- each	25,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
1,00,00,000 fully paid-up equity shares of ₹10/- each	10,00,00,000

There has been no change in the share capital of the Transferor Company subsequent to 31.03.2019.

6. As per the Memorandum and Articles of Association (Annexure A-10), the main objects of Transferee Company are as follows: -

"1. To carry on trade or business to manufacture, produce, buy, sell, import, export and otherwise generally deal in any kinds and description of tiles including ceramic, polished vitrified, glazed vitrified and unglazed tiles for domestic, commercial, industrial and outdoor applications for walls, floor and roofings, sewer pipes, drain pipes, concrete pipes and pipes of all descriptions and all kinds acidic, basic, high alumina, high silica, high grog and natural other and all other types, shapes and sizes of refractories and ceramics and all chemical formulations, organic or inorganic descriptions and categories for use in steel plants, mini-steel plants, furnaces, power houses and all kinds of industries, research, development and for any other use or purpose and for that purpose to set up all plants and machinery and related equipments including oil, fired or gas fired rotating calcining kilns and other ovens and to carry all business for the manufacture of all kinds and descriptions of refractories and ceramics, all kinds of bathware & sanitarywares (including bathware & sanitarywares made of plastic, fibreglass or any other synthetic products) glass and glasswares, china, terracotta, porcelain products, bricks, building material, vinyl, vinyl asbestos and solid vinylware, adhesive vinyl covebase, poles, blocks, lime, limestone, crockery, pottery, tableware, hotelwares, decorative wares, gardenwares, earthenwares, stonewares, pressedwares tiles, pottery, pipes, insulators of all descriptions and/or products

thereof and all kinds of cement (ordinary white coloured Portland alumina heat furnaces, silica), cement products.”etc.

7. The Transferee Company was incorporated as a Public Limited Company vide Certificate of Incorporation dated 20.12.1985 under the provisions of the Companies Act, 1956. The registered office of the company was shifted from the State of Uttar Pradesh to the State of Haryana and a fresh Certificate of Incorporation dated 09.06.2015 was issued by the Registrar of Companies, Delhi. The CIN of Transferee Company is L26924HR1985PLC056150. The Certificate of Incorporation are annexed as Annexure A-10.

8. The authorized, issued, subscribed and paid-up share capital of Transferee Company as on 31.03.2019 is as under:

PARTICULARS	AMOUNT in (₹)
AUTHORIZED CAPITAL	
52,00,00,000 equity shares of ₹1/- each.	52,00,00,000
77,10,00,000 preference shares of ₹100/- each	77,10,00,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
15,89,50,300 fully paid-up equity shares of ₹1/- each.	15,89,50,300

There has been no change in the share capital of the Transferee Company subsequent to 31.03.2019.

9. The registered offices of all the Applicant Companies are situated in the State of Haryana and therefore, the matter falls within the territorial jurisdiction of this Tribunal.

10. The list of Directors of Applicant Companies No.1 & 2 are at Annexure A-3 and Annexure A-11 respectively. It is also stated that no investigation proceedings under Section 235 to 251 of the Companies Act, 1956 and /or under Sections 206 to 229 of the Companies Act, 2013 are pending or instituted against the applicant companies. It is submitted that the Scheme does not contemplate any scheme of corporate debt restructuring as provided for under Section 230(2)(c) of the Act.

11. The Learned counsel for the Applicant Companies submitted that as on 31.08.2019, Transferor Company has 2 equity shareholders out of which one is the Transferee Company having 99.999 % of total equity shares and remaining 0.001% equity shares are held by Mr. Ashok Kajaria as nominee for the Transferee Company. Both the equity shareholders have given their consent/no objection to the Scheme and for the dispensation of the meeting of the shareholders by way of affidavit. The Transferee Company has authorized Mr. R.C. Rawat vide Board Resolution dated 31.01.2018. The consent affidavits along with Board Resolution is attached as Annexure –A 6.

12. As per the certificate of OP Bagla & Co LLP, Chartered Accountants (Annexure- A 7), there are 2 secured creditors in Transferor Company as on 31.08.2019. Out of 2 secured creditors, one is Sacmi Imola S.C. having ₹15,97,75,726 amount of secured debt and the other one is Guangdong Foshan Packing Import and Export Co. Limited having ₹35,64,706 amount of secured debt. Both the secured creditors have given their consent/no objection to the Scheme and for the dispensation of the meeting of the secured creditors by way of affidavit. The affidavit of Mr Paolo Mongardi, President of Sacmi Imola S.C. authorized vide board resolution dated 22.11.2019 and affidavit of Mr. Wing Chen, Sales Manager of Guangdong

Foshan Packing Import and Export Co. Limited authorized vide Board Resolution dated 09.12.2019 is at Annexure A-3 of third additional joint interlocutory application filed vide Diary No. 7253 dated 17.12.2019. Both the affidavits are not notarized and neither are they apostilled.

13. The Learned counsel for the Applicant Companies submitted that as on 31.08.2019, the Transferor Company has 18 unsecured creditors holding total ₹ 1,23,32,05,107 amount of unsecured debt. 17 unsecured creditors being 99.9% in value, have given their consent to the Scheme and for the dispensation of the meeting of unsecured creditors by way of affidavits. The consent affidavits along with board resolutions are at Annexures A-8 of the application, A-4 of Diary No. 5431 dated 09.10.2019, Diary No 6398 dated 18.11.2019 and Diary No 6398 dated 18.11.2019.

14. It is submitted by the learned counsel for the Applicant Companies submits that as on 30.06.2019, the Transferee Company has 65,814 equity shareholders holding a total of ₹15,89,50,300 equity shares having a face value of ₹1/- each. It is further submitted that the Transferee Company has 77,10,000 preference shares having a face value of ₹100/- each. It is also stated that the Transferor Company is a listed company and since the Transferor Company is the wholly owned subsidiary of the Transferee Company and the interest of the shareholders of the Transferee Company are not affected, therefore there is no requirement of issuance of shares by the parent company as such amalgamation involves a cancellation of shares. The Shareholding pattern of the Transferee Company as on 30.06.2019 is attached at Annexure A-14.

15. As per the certificate of OP Bagla & Co LLP, Chartered Accountants (Annexure A-15), there are 5 secured creditors in Transferee Company amounting to value of ₹ 44,97,60,915/- as on 31.08.2019.

16. As per the Certificate of OP Bagla & Co LLP, Chartered Accountants, the Transferee Company has 5,192 unsecured creditors as on 31.08.2019. The list of unsecured creditors is attached as Annexure A-16.

17. The Applicant Companies have made the prayers in the joint application for the dispensing with the requirement of holding and convening the meeting of the shareholders, secured creditors and unsecured creditors of the Transferor Company. Further, prayer has been made for dispensing with the requirement of holding and convening the separate meetings of the shareholders, secured creditors and unsecured creditors of the Transferee Company, in view of the Transferor Company being a wholly owned subsidiary of the Transferee Company. It is also prayed that the Hon'ble Tribunal may be pleased to direct service of notice under Section 230(3) read with Section 230(5) of the Companies Act, 2013 along with all the documents in such form as may be prescribed to the statutory authorities and such other sectoral regulators or authorities which are likely to be affected by the Scheme as per Section 230(5) of the Companies Act, 2013.

18. It is stated in para 23 that the applicant Transferee Company is listed on the National Stock exchange of India Limited (NSE) and the BSE. The affidavits with regard to sectoral regulators are at Annexure-A18. As per the affidavit of Transferor Company, there is no other sectoral regulator.

19. We have heard the learned counsel for the applicant companies and have perused the records and supporting documents/papers filed along with the "Scheme" contemplated between the applicant-

companies.

20. The rationale for the Scheme is stated as below:

(a) Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and Transferee Company;

(b) The proposed transaction will result in the establishment of a larger company with more capable resources, a sufficient capital base and a greater capacity to raise funds for expansion, modernization and development of the businesses of the companies concerned.

(c) The proposed transaction will further achieve various operational, technical and marketing synergies resulting in better management of logistics, control, administration and centralization. It will also help to achieve economies of scale, reduction in overheads and other expenses, reduction in administrative and procedural work better and more productive utilization of various resources and ultimately to avoid general administrative burden and cost triggered by running two separate legal entities under the same group.

(d) Would enable focused strategic leadership and top management attention to be bestowed on the Undertaking of the Transferor Company so as to integrate the business synergies and reap the benefits of consolidation; and

(e) Improvement in competitive position of the Transferee Company as a combined entity and also achieving economies of scale.

21. As per clause 5.6 of the Scheme, post amalgamation, the shares held by the Transferor Company, if any, in the Transferee Company

or the shares held by the Transferee Company in the Transferor Company, if any, will be automatically cancelled upon scheme becoming effective.

22. It is also stated that after sanctioning of the Scheme by the Tribunal or on effective date, the authorized share capital of the Transferee Company as on date of filing of order shall stand increased by vesting the authorized share capital of the Transferor Company as on date of filing of order, without any further act or deed. Therefore, the authorized share capital of the Transferee Company post amalgamation is ₹154,10,00,000 (Rupees One Hundred Fifty Four Crores Ten Lakhs Only) divided into 77,00,00,000 (Seventy Seven Crores) Equity Shares of ₹1/- each (Rupee One Only) aggregating to 77,00,00,000 (Rupees Seventy Seven Crores Only) and 77,10,000 (Seventy Seven Lakhs Ten Thousand) Redeemable Preference Shares of ₹100/- each (Rupees One Hundred Only) aggregating to ₹77,10,00,000 (Rupees Seventy Seven Crores Ten Lakhs Only).

23. As per the Scheme, the Appointed Date is 01.04.2019 or such other Appointed Date as may be approved by the National Company Law Tribunal or the National Company Law Appellate Tribunal or any other competent court.

24. The certificate of the Statutory Auditors of the Transferor Company and the Transferee-Company with respect to the Scheme between Applicant-Companies to the effect that the accounting treatment proposed in the Scheme is in compliance with applicable Indian Accounting Standards (Ind AS) as specified in Section 133 of the Act, read with rules thereunder and other Generally Accepted Accounting Principles and also in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and circulars issued thereunder(in case of Transferee

Company).

25. The Scheme (Annexure A1) also deals with and takes care of the interest of staff and employees of Transferor Companies by virtue of Clause 13 which is reiterated as under:-

“13.1. The said staff and employees’ services shall be deemed to have been continuous and not interrupted by reason of the said transfer.

13.2. The terms and conditions of service applicable to the said employees, staff after such transfer shall not in any way be less favorable to them than those applicable to them immediately preceding the transfer.”etc.

26. It is also stated that all legal and other proceedings of whatsoever nature by and against the Transferor Company, if any, pending, the same shall not abate, shall not be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in the Scheme, but the said proceedings may be continued, prosecuted and enforced by and against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the effective date, the Transferee Company shall or may continue, prosecute, enforce or initiate any legal proceedings for and on behalf of the Transferor Company.

27. The learned counsel for the Applicant-Companies further represented that in respect of the Applicant-Companies No.1 and 2, the Annual Report along with audited financial statements as on 31.03.2019 are placed at Annexure A-4 and Annexure A-12 of the application respectively.

28. As per Clause 2(d) of the Scheme, the Appointed Date for Amalgamation will be 1st April, 2019, or such other date, as the Hon'ble

National Company Law Tribunal or any other competent authority may approve.

29. In view of the discussion in Para No.11 and 13 (supra), meeting of Equity shareholders of Applicant No.1 is dispensed with as there are 2 (Two) equity shareholders and the consent of all equity shareholders on affidavits have been obtained and placed on record and meeting of unsecured creditors of Applicant No.1 is dispensed with as there are 18 (Eighteen) unsecured creditors and the consent of 17 unsecured creditors (being 99.9% in value) on affidavits have been obtained and placed on record.

30. The issue remaining in the instant application is that there is no consent for the scheme by the shareholders, secured and unsecured creditors of the Transferee Company. In such circumstance whether the meetings of the said categories can be dispensed with and the consent of the secured creditors in the Transferor Company is not in the proper form. The learned counsel submitted that the Transferee Company has 100% holding in the Transferor Company and it is a scheme between the wholly owned subsidiary company and its holding company, and hence consent is not required for dispensing with their meetings. The learned counsel further submitted that the net worth of the transferee company is highly positive and the net worth of the Transferor Company as on 31.03.2019 is ₹10,48,39,000/- whereas the net worth of the transferee company as on 31.03.2019 is ₹15,65,97,82,507/- and hence, the proposed scheme is in no way prejudicial to the interest of shareholders or creditors of any of the applicant companies. The learned counsel placed reliance on the decision of this bench dated 21.11.2019 in the Scheme of Arrangement of DLF Phase-IV

Commercial Developers & Ors. With DLF Limited [CA No.741/2019 in CA (CAA) No.39/Chd/Hry/2018] **[DLF case]** in which the meetings of the equity shareholders and secured creditors of Transferee Company/Applicant No.5 and unsecured creditors of the Demerged Company/Applicant No.4 and Transferee Company/Applicant No.5 have been dispensed with.

31. In the DLF case (supra), this Tribunal passed order on 21.11.2019. Para 9 to 15 are as under:-

9. *In **Jupiter Alloys & Steel (India) Limited**, the issue considered was “whether the Tribunal has power to grant dispensation of the shareholders’ meeting regarding the proposed scheme of amalgamation where all the shareholders have given consent, whereas the Companies Act, 2013 has authorized only for the dispensation of the meeting of creditors where creditors having at least 90% value agreed and confirmed by way of an affidavit scheme of compromise or arrangement”. The Hon’ble Member (Judicial) and Hon’ble Member (Technical) who constituted the Division Bench when the matter was heard at the first instance, took different views, vide their separate orders dated 14.03.2017. The issue was referred to a third Member and the learned Third Member concurred with the view taken by the Hon’ble Member (Technical) and the relevant paragraph No. 3 of the order dated 26.04.2017 read as under:-*

“In my view, there is imperative need to examine Section 230 and Section 232 of the Companies Act, 2013 and Rules made thereunder including the NCLT Rules, 2016 in the context of the objectives of the new Act and the legislative history behind this subject.

Upon reading of Section 391(1) of the Companies Act, 1956 vis-à-vis Section 230(1) of the Companies Act, 2013 it manifests that the language used under the old Act and the new Act being para material to each other and both the Acts use the words “may” before “...order meeting”. Section 232(1) of the Companies Act, 2013 also uses the word “may” in similar manner as Section 230(1) of the Companies Act, 2013.

Section 230(3) of the Companies Act, 2013 and Section 232(2) of the said Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations Rules 2016, both start with the word “Where” and this has to be read with the word “may” as mentioned hereinabove. Now, a question arises, that what was the legislative intent and the ratio decidendi behind using the word “may” and it is important to understand as to why the High Courts have exercised discretion under Section 391(1) of the Companies Act, 1956. It has to be accepted that the word “may” introduces an element or an essence of discretion and whenever the question of discretion comes in authority follows and

perhaps that is the reason why the authority and the inherent powers are granted so that in the interest of justice the same can be exercised in appropriate situations. Moreover, discretionary things are not fixed by rules but need application of judicial mind where the adjudicating authority has to consider each individual case based on facts and circumstances and discretion can be predictable in identical situation. If the word "may" is directory / mandatory and not "discretionary" then the meaning of such a rigid interpretation could also be that the Tribunal does not have the power to reject or dismiss the application; but that is not the case. If the Tribunal can use the word "may" to dismiss the application, it will not be fair to apply this discretion only for dismissal and not for other reliefs, where the facts & circumstances so require. However, discretion does not confer any authority to be exercised in arbitrary and wanton manner and should be exercised after considering entire facts and circumstances.

It cannot be ignored that almost all the High Courts have exercised this discretion since long and dispensed with the calling of the meetings in appropriate situations. The precedents created by the High Courts to dispense with the requirement of convening the meetings are worth and continuation of such precedents are virtue in the era of ease of doing businesses as well as future course of corporate actions. A settled issue should not be unsettled without proper reasons. Thus the notion that calling of meetings is mandatory does not stand.

Regard being had to the precedents set forth by the Hon'ble High Courts, I am of the view that I have no reason to depart from the precedents created by the Hon'ble High Courts to dispense with the requirements of convening the meetings of the shareholders and creditors of the Company, if the Bench is satisfied in all respects. In the instant case both the applicant companies have few shareholders and all of them have given their written consents/affidavits and post merger there shall be positive net worth and the creditors are not compromised.

That apart, as we are in the era of ease of doing business, sometimes the advantage / effectiveness of corporate actions like mergers and amalgamations will be reduced to nullity if there is delay in time and unless the discretion can be used to plug the gaps, such delays may fade away the purpose of mergers and amalgamations.

In this case, the number of shareholders of both the applicant companies are very small (including majority common shareholders) and all of them have given their consents for the scheme in writing and the financial position of applicant / amalgamated company shall have positive net worth post effectiveness of the Scheme and there has been no compromise with the creditors and that the respective creditors would, in no way, be affected by the scheme and that all the liabilities of the Amalgamating Company shall stand transferred to the Amalgamated Company Scheme does not contemplate any corporate debtor restructuring exercise.

It is also noted that it would be more meaningful to protect the interest of current creditors instead of past creditors who would no more be the creditors as on today.

Section 232 of the Companies Act, 2013 is a specific provision carved out by the legislature when both the conditions mentioned in clauses (a) and (b) of sub-section (1) of Section 232 of the said Act are satisfied.

The Tribunal is empowered to take appropriate steps in the interest of justice under Rule 11 of National Company Law Tribunal Rules, 2016 read with Rule 24(2) of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.”

10. *In view of the categorical finding of the majority decision i.e. 2:1 in **Jupiter Alloys & Steel (India) Limited (supra)**, insofar as the question of the jurisdiction of this Tribunal to dispense with the convening of the meetings of shareholders/members is concerned, which is binding on this two Member Bench, we are proceeding further to examine the other issue.*

11. *The other issue in the instant CA is that there was no consent for the scheme by the unsecured creditors of the applicant company No. 4 and equity shareholders, secured and unsecured creditors of applicant company No. 5 and in such circumstance whether the meetings of the said categories can be dispensed with. The learned senior counsel submits that the transferee company, directly and indirectly has 100% holding in the applicant companies 1 to 4 and it is a scheme between wholly owned subsidiary companies and their holding company, and hence consent is not required for dispensing with their meetings. The learned counsel further submits that the net worth of the transferee company is highly positive and the assets of the demerger company and the transferee company are more than sufficient to discharge their respective liabilities. It is also stated that the unsecured creditors of the demerger undertaking will become the unsecured creditors of the transferee company which is extremely financially strong company and the net worth of the demerger companies post sanction of scheme will be ₹1.14 crores whereas the net worth of the transferee company post sanction of the scheme will be ₹22,777.17 crores and hence, the proposed scheme is in no way prejudicial to the interest of shareholders or creditors of any of the applicant companies. The learned senior counsel placed reliance on the following decisions in support of the said submissions:-*

(i) *Mahindra Forgings Global Limited & others and Mahindra CIE Automotive Limited, 2017 SCC Online NCLT 11936;*

- (ii) *Berkeley Design Automation India Private Limited And Mentor Graphics (India) Private Limited, 2017 SCC OnLine NCLT 7177;*
- (iii) *Godrej Real Estate Private Limited And Godrej Properties Limited, 2017 SCC OnLine NCLT 12804;*
- (iv) *Tech Mahindra Limited, 2017 SCC OnLine NCLT 12924;*
- (v) *Equator Trading Enterprises Private Limited & others and TV18 Broadcast Limited, CSA No. 132 of 2018;*
- (vi) *Digital 18 Media Limited & others And Network18 Media & Investments Limited, CSA No. 123 of 2018;*
- (vii) *Mahaamba Investments Ltd. Vs. IDI Limited, Company Application (Lodg.) No. 1047 of 2000 decided on 31.01.2001;*
- (viii) *ICICI bank Limited, 2002(2) Mh.L.J.*
- (ix) *M/s. Necia Builders & Developers Private Limited & others With M/s DLF Retail Developers Limited, Company Petition No. 68 of 2009, order dated 28.05.2009; and*
- (x) *Aditya Birla Money Mart Limited, Company Application No. 424 of 2016, date of order 28.09.2016*

12. *In Jupiter Alloys & Steel (India) Limited (supra), though the main issue was 'whether the Tribunal has power to grant dispensation of the shareholder's meeting even if there was required percentage of consent', but the other issue that 'whether Tribunal has power to dispense with the meetings of Shareholders/Secured Creditors/Unsecured Creditors when there was no consent' was also eventually considered. It was observed that 'it cannot be ignored that almost all the High Courts have exercised this discretion since long and dispensed with the calling of the meetings in appropriate situations. The precedents created by the High Courts to dispense with the requirement of convening the meetings are worth and continuation of such precedents are virtue in the era of ease of doing business as well as future course of corporate actions. A settled issue should not be unsettled without proper reasons. Thus, the notion that calling of meetings is mandatory does not stand', and 'when with the conditions mentioned in clauses (a) and (b) of sub-section (1) of Section 232 of the Act are satisfied, the Tribunal is empowered to take appropriate steps in the interest of justice under Rule 11 of National Company Law Tribunal Rules, 2016 read with Rule 24(2) of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.'*

13. *In any event, invoking such power is an exception to the Rule and can be done only in a particular case, depending on the facts and circumstances of the case. In the present case it is stated that the transferee company, directly and indirectly has 100% holding in the transferor company No. 4 and the scheme is between the wholly owned subsidiary companies and their holding company and the net worth of the demerged company,*

post sanction of the scheme will be ₹1.14 crores whereas the net worth of transferee company will be ₹22,777.17 crores and the unsecured creditors of demerged company will become the unsecured creditors of the transferee company.

14. *We have carefully perused the proposed scheme and in the circumstances and in view of the decisions on which the learned senior counsel placed reliance and in view of the directions given in **Jupiter Alloys & Steels (India) Limited (supra)**, we find that the subject prayer deserved to be allowed subject to the discussion in the succeeding para.*

15. *In the case of **Jupiter Alloys & Steels (India) Limited (supra)** the shareholders of both the applicant companies had given their written consent/affidavits. However, in the present case, written consent/affidavits of the equity shareholders of Applicant Company No. 5 are not filed. We may add here that the written consent/affidavits of unsecured creditors of Applicant Company No. 4 and secured and unsecured creditors of Applicant Company No. 5 are also not filed. Therefore, the directions contained in the case of **Jupiter Alloys & Steels (India) Limited (supra)** in relation to creditors are being applied to in respect of unsecured creditors of Applicant Company No. 4 and equity shareholders, secured and unsecured creditors of Applicant Company No. 5. Their meetings are being dispensed with subject to strict compliance of the conditions laid down herein.....”etc.*

32. Therefore, the directions contained in the case of Jupiter Alloys & Steel (India) Limited (supra) in relation to creditors were applied in the DLF case to the unsecured creditors of Demerged Company/Applicant Company No.4 and equity shareholders, secured and unsecured creditors of the Transferee Company/Applicant Company No.5. The Applicant Company No.5/Transferee Company i.e. DLF Limited was holding all the shares of the Applicant Company No.4/Demerged Company except for 6 individual shareholders who were nominee shareholders of DLF Limited (Refer Para 26 of order dated 07.06.2019 in CA (CAA) No.39/Chd/Hry/2018 in the matter of Scheme of Amalgamation/Demerger of DLF Phase-IV Commercial Developers

Limited & Ors. and DLF Limited). In the present case, we have discussed above that the Transferee Company directly or indirectly has 100% holding in the Transferor Company and the Scheme is between the Transferee Company and its wholly owned subsidiary. Therefore, the decision in the DLF case is applicable in the present case also. Moreover, the net worth of the Transferor Company as on 31.03.2019 is ₹10,48,39,000/- whereas the net worth of the Transferee Company as on 31.03.2019 is ₹15,65,97,82,507/-.

33. In the present case, the written consent/affidavits of the equity shareholders, secured and unsecured creditors of the Transferee Company are not filed and the written consent/affidavits of the secured creditors of the Transferor Company are not in the proper format. Therefore, the directions contained in the case of DLF case (supra) are being applied to the meetings in respect of equity shareholders, secured and unsecured creditors of Transferee Company and secured creditors of Transferor Company. Their meetings are being dispensed with subject to strict compliance of the conditions laid down herein.

- (i) The Applicant Transferee Company shall file its respective list of shareholders, secured and unsecured creditors as on the date of passing of this Order, with the Registry within a fortnight from the date of Order. The Applicant Transferor Company shall file its list of secured creditors as on the date of passing of this order with the Registry within a fortnight from the date of the order.
- (ii) The Applicant Transferee Company and Transferor Company to serve the notices upon its current creditors i.e. creditors as on the date of passing of this Order having outstanding debt amounting to not less than five percent of total outstanding debt of the Company

as per the list of creditors as on the date of passing of this Order in the same manner as the notices are to be served to various authorities as per Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with suitable changes in the notice relating to waiver of the meetings and with a direction that they may submit their representations, if any, to the Tribunal and a copy of the same shall be simultaneously served on the concerned applicant company. If no response is received by from such creditors within 30 days of date of receipt of the notice it shall be presumed that such creditors have no objection to the proposed Scheme. Similar action shall also be taken by the Applicant Transferee Company in respect of current equity shareholders i.e. shareholders as on the date of passing of this order having shares of not less than five percent of the subscribed share capital of the Applicant Transferee Company.

- (iii) The notices to be served under Section 230(5) of the Companies Act, 2013 as aforesaid shall contain all disclosures as mentioned in Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 irrespective of the fact that meetings have been dispensed with.
- (iv) Advertisement of dispatch of notices to the creditors and equity shareholders as above shall be published in accordance with Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with suitable changes as may be practicable.

- (v) The Applicant Transferee Company shall furnish copy of the Scheme free of charge within 1 day of any requisition for the same made by every creditor as mentioned above or member of the concerned Applicant Transferee Company.
- (vi) The Applicant Transferee Company to serve the notice upon the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, the Official Liquidator , Registrar of Companies, Income Tax Department within whose jurisdiction the assessments of the Applicant Transferee Company is made, and BSE, NSE and SEBI in case of transferee company, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with suitable changes in the notice relating to waiver of the meetings. If no response is received by the Tribunal from the above authorities within 30 days of date of receipt of the notice it will be presumed that such authorities have no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- (vii) The Transferee Company to file an affidavit in compliance of all the conditions laid down herein along with original proof of service to all the authorities and creditors.
- (viii) Liberty is given to file a Joint application by the applicant companies in accordance with Rule 15 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 15 days after the expiry of period of 30 days as mentioned in Section 230(5) of the Companies Act, 2013.

- (ix) If the consent affidavits/letters of the members and creditors annexed with the application are found to be false/dubious, at any stage, then necessary action for committing fraud under Sections 447 and 448 of the Companies Act, 2013 shall be initiated against the applicant companies and all its directors.
- (x) In view of the above, the First Motion Application stands allowed giving liberty to the Applicant Companies to file the Second Motion Petition with a direction that the Applicant Companies shall make specific prayer for sending notices to the Central Government, Registrar of Companies, Official Liquidator, Income Tax Authorities by disclosing the PAN numbers of all the companies in the title of the Second Motion Petition so as to provide the proper opportunity to the Income Tax Department to respond, in case of all the applicant companies and BSE, NSE and SEBI in case of transferee company and also filing an affidavit that there is no other Sectoral Regulator in respect of the applicant companies.

Pronounced in the open Court.

Sd/-
(Ajay Kumar Vatsavayi)
Member (Judicial)

Sd/-
(Pradeep R. Sethi)
Member (Technical)

Feb. 03, 2020
Anchal

**SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013**

AMONGST

**KAJARIA TILES PRIVATE LIMITED (FORMERLY KNOWN AS
KAJARIA FLOERA CERAMICS PRIVATE LIMITED
(TRANSFEROR COMPANY)**

AND

**KAJARIA CERAMICS LIMITED
(TRANFEE COMPANY)**


AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

- A. This Scheme of Amalgamation (“Scheme”) provides for the amalgamation of Kajaria Tiles Private Limited (KTPL) (Formerly known as Kajaria Floera Ceramics Private Limited), Wholly Owned Subsidiary (“Transferor Company”) with Kajaria Ceramics Limited (KCL), Holding Company (“Transferee Company”) on a going concern basis pursuant to the provisions of Section 230 to 232 read with Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013.

For KAJARIA TILES PVT. LTD.


Authorized Signatory

For Kajaria Ceramics Ltd.



Authorized Signatory

- B. **Kajaria Tiles Private Limited (Transferor Company) (Formerly known as Kajaria Floera Ceramics Private Limited)** was incorporated on 14th October, 2014 with the Registrar of Companies, Vijayawada as a Private Company, Limited by Shares, having its registered office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana 122001, India.
- C. **Kajaria Ceramics Limited (Transferee Company)** was incorporated on 20th December, 1985 with the Registrar of Companies, Delhi as a Public Company, Limited by Shares, having its registered office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana – 122001, India.
- D. The Scheme of Amalgamation is in the interest of the Transferor and Transferee Company, their respective shareholders and creditors.

DESCRIPTION OF THE PETITIONER COMPANIES

Kajaria Tiles Private Limited (Transferor Company) (Formerly known as Kajaria Floera Ceramics Private Limited) was incorporated on 14th October, 2014 with the Registrar of Companies, Vijayawada as a Private Company, Limited by Shares, vide CIN U26933AP2014PTC095460 having its registered office in the State of Andhra Pradesh. The registered office of the Company was shifted the State of Andhra Pradesh to the State of Haryana from the jurisdiction of the Registrar of Companies, Vijayawada to the Registrar of Companies, NCT of Delhi & Haryana, vide order of the Regional Director dated 25th April, 2019. At presently, the registered office of the Company is situated at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana 122001. The name of the Company has changed from Floera Ceramics

For KAJARIA TILES PVT. LTD.


Authorised Signatory

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For Kajaria Ceramics Ltd.


Authorised Signatory

Private Limited to Kajaria Floera Ceramics Private Limited with effect from 28th September, 2017. Further the name was again changed to "Kajaria Tiles Private Limited" with effect from 16th July, 2019 with the fresh CIN U26933HR2014PTC081026. The PAN No. of the Transferor Company is AACCF4853F. The Equity Shares of the Transferor Company are not listed on any of the Stock Exchanges. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

The main objects of Transferor Company as specified under the heading III (A) - Main objects of the Company to be pursued by the Company on its incorporation of the Memorandum of Association of the Company are as under:

1. To establish and carry on the business of manufacturing, designing, fabricating, refining, treating, processing, buying, selling, importing, exporting and otherwise dealing in all kinds of tiles, ceramic wares, porcelain, earthen ware, stone ware, sanitary ware, insulators, fire bricks, fire clay and other minerals and any other products similar to and required for the aforesaid products.

2. To carry on the business as manufacturers, processors, dealers, distributors, importers and exporters, designers, developers, of earth ware, china fire clay, drain and water pipes, hallow and solid products for partitions and load bearing walls, ceiling blocks and roof bricks and all allied bricks, tiles, terracotta, sanitary ware, plain and art stone ware, glass color and glazes.

3. To carry on the business of manufacturers of and dealers in materials, articles, or goods made or composed wholly or partly of cement, concrete products, lime, clay, gravel, sand, minerals, earth, coke, fuel, china, terracotta and ceramic ware of all kinds.

For KAJARIA TILES PVT. LTD.



Authorised Signatory

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For Kajaria Ceramics Ltd.



Authorised Signatory

Kajaria Ceramics Limited (Transferee Company) was incorporated on 20th December, 1985 with the Registrar of Companies, Kanpur as a Public Company, Limited by Shares, having its registered office in Uttar Pradesh. The registered office of the Company was shifted to SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana 122001 India from the jurisdiction of the Registrar of Companies, Kanpur to the Registrar of Companies, NCT of Delhi & Haryana, vide order of the Regional Director dated 27th July, 2015. The Corporate Identification Number (CIN) of Transferee Company is L26924HR1985PLC056150. The PAN No. of the Transferor Company is AABCK1613R. The Equity Shares of Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Transferee Company is the holding Company of the Transferor Company.

The main objects of Transferee Company as specified under the heading III (A) - Main objects of the Company to be pursued by the Company on its incorporation of the Memorandum of Association of the Company are as under:

1. To carry on trade or business to manufacture, produce, buy, sell, import, export and otherwise generally deal in any kinds and description of tiles including ceramic, polished vitrified, glazed vitrified and unglazed tiles for domestic, commercial, industrial and outdoor applications for walls, floor and roofings, sewer pipes, drain pipes, concrete pipes and pipes of all descriptions and all kinds acidic, basic, high alumina, high silica, high grog and natural other and all other types, shapes and sizes of refractories and ceramics and all chemical formulations, organic or inorganic descriptions and categories for use in steel plants, mini-steel plants, furnaces, power houses and all kinds of industries, research, development and for any other

For KAJARIA TILES PVT. LTD.


Authorised Signatory

4

For Kajaria Ceramics Ltd.


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use or purpose and for that purpose to set up all plants and machinery and related equipments including oil, fired or gas fired rotating calcining kilns and other ovens and to carry all business for the manufacture of all kinds and descriptions of refractories and ceramics, all kinds of bathware & sanitarywares (including bathware & sanitarywares made of plastic, fibreglass or any other synthetic products) glass and glasswares, china, terracotta, porcelain products, bricks, building material, vinyl, vinyl asbestos and solid vinylware, adhesive vinyl covebase, poles, blocks, lime, limestone, crockery, pottery, tablewares hotelwares, decorative wares, gardenwares, earthenwares, stonewares, pressedwares tiles, pottery, pipes, insulators of all descriptions and/or products thereof and all kinds of cement (ordinary white coloured Portland alumina heat furnaces, silica), cement products.

2. To purchase, take / give on lease or otherwise acquire/ sold freehold and other lands, properties, mines, mining rights and metalliferous land and any interest therein and to explore, exercise, develop and turn to account the same and to crush, smelt, calcine, refine, dress, raise, get win, fabricate, grind, amalgamate, manipulate and prepare for market, purchase, sell and otherwise deal in ore, mineral sands, stones, artificial stones, metal and mineral substances of all kinds and to carry on any other operations in connection therewith.

3. To carry on all or any of the business of producers, manufacturers, suppliers, distributors, transformers, converters, transmitters, generator, processors, developers, storers, procurers, sellers, carriers and dealers in electricity, all forms of energy (renewable and non-renewable) and any such products and by products derived from such business including without limitation, steam, fuels, ash, conversion of ash into bricks and any products derived from or connected with any other form of energy, including without limitation to conventional sources such as heat, thermal, hydel and /or from non-conventional sources such as tidal wave, wind, solar, geothermal, biological, biogas and coal bed methane.

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RATIONALE FOR THE SCHEME OF AMALGAMATION

Since, the Transferor Company is a wholly-owned subsidiary of the Transferee Company, amalgamation contemplated in the present Scheme will ensure optimized legal structure, more aligned with the business of the Transferee Company and will also reduce the number of legal entities within the group so as to achieve significant cost savings, hence the Scheme of Amalgamation will benefit all concerned, including the shareholders, creditors and other stakeholders of both the Petitioner Companies which are, *inter alia*, as follows::

- a) Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and Transferee Company;
- b) The proposed transaction will result in the establishment of a larger company with more capable resources, a sufficient capital base and a greater capacity to raise funds for expansion, modernization and development of the businesses of the companies concerned.
- c) The proposed transaction will further achieve various operational, technical and marketing synergies resulting in better management of logistics, control, administration and centralization. It will also help to achieve economies of scale, reduction in overheads and other expenses, reduction in administrative and procedural work better and more productive utilization of various resources and ultimately to avoid general administrative burden and cost triggered by running two separate legal entities under the same group.

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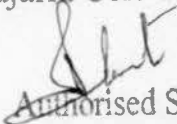

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- d) Would enable focused strategic leadership and top management attention to be bestowed on the Undertaking of the Transferor Company so as to integrate the business synergies and reap the benefits of consolidation; and
- e) Improvement in competitive position of the Transferee Company as a combined entity and also achieving economies of scale.

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PARTS OF THE SCHEME:

Part I – This part of the Scheme contains introduction of Companies including definitions and capital structure of companies involved in Amalgamation.

Part II – This part of the Scheme contains the provisions relating to re-organization of share capital of Kajaria Ceramics Limited, Transferee Company, pursuant to the Scheme.

Part III – This part of Scheme contains amalgamation i.e. transfer and vesting of undertakings of **Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited) (Transferor Company)** into **Kajaria Ceramics Limited (Transferee Company)** on going concern basis and Accounting Treatment.

Part IV – This part of Scheme contains miscellaneous provisions i.e. application / petition to Hon'ble National Company Law Tribunal at Chandigarh and conditionality of the Scheme.

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**PART I – INTRODUCTION OF COMPANIES INCLUDING
DEFINITIONS AND CAPITAL STRUCTURE**

1. Introduction

This Scheme of Amalgamation provides for amalgamation of Kajaria Tiles Private Limited (KTPL) (Formerly known as Kajaria Floera Ceramics Private Limited), Wholly Owned Subsidiary (“Transferor Company”) with Kajaria Ceramics Limited (KCL), Holding Company (“Transferee Company”) on a going concern basis pursuant to the provisions of Sections 230 to 232 read with Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013.

2. Definitions

In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as given to them below:-

(a) **“Accounting Standards”**

Means the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 issued by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India and as may be amended from time to time.

(b) **“Act”**

Means the Companies Act, 2013 and rules and regulations framed thereunder including any statutory modifications or re-enactment or amendments thereof for the time being in force.

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(c) **“Amalgamation”**

Means the amalgamation of the Transferor Company with the Transferee Company in terms of the Scheme in its present form or with any modification(s) as approved by the authorities concerned.

(d) **“Appointed Date”**

Means 01st April, 2019 (01st day of April, Two Thousand and Nineteen) or such other date as may be approved by the National Company Law Tribunal, Chandigarh or such other competent authority may approve, from which the assets and liabilities, described hereinafter, of the Transferor Company shall stand transferred to and vested in or shall be deemed to stand transferred to or vested in the Transferee Company without any further act, instrument, deed or thing;

(e) **“Asset(s)”**

Means and includes all assets, properties and rights of every kind, nature, character, description and wherever situated, including the Passive Infrastructure assets, whether fixed, movable, immovable property, tangible, intangible, financial, non-financial, whether owned or leased, or otherwise acquired by or in the possession of the Transferor Company, whether or not required to be reflected on a balance sheet of the Transferor Company in accordance with the Accounting Standards and pertaining to the Transferor Company, including but not limited to Intellectual Property Rights and every associated intangible right;

(f) **“Board” or “Board of Directors”**


Means the board of directors of Transferor Company and/or Transferee Company, as the case may be, and shall, unless it is repugnant to the context, include a committee of directors or any person authorized by the board of directors or such committee of directors.

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(g) **“BSE”** shall mean BSE Limited.

(h) **“Business Day”**

Means a day other than Saturday and Sunday on which banks are open for normal banking business in India.

(i) **“Companies”**

Means the Transferor Company and the Transferee Company, referred collectively;

(j) **“Contract”**

Means any contract, agreement, arrangement, tender, memorandum of understanding, engagement, purchase order, license, guarantee, indenture, note, bond, loan, lease, commitment other arrangement, understanding or undertaking, whether written or oral.

(k) **“Effective Date”**

Means the Appointed Date or such other date as may be approved by the National Company Law Tribunal, Chandigarh.

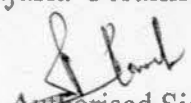
Any references in this Scheme to the date of the “upon coming into effect of the Scheme” or the “upon the scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date;

(l) **“Employees”** means all the employees of the Transferor Company who are on its pay-roll as on the Effective Date;

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- (m) **“Law”**
Means any statute, law, ordinance, rule, regulation, press note, notification, circular, directive or Judgment issued by any Governmental Department/ Authorities etc.
- (n) **“Liability(ies)”**
Means liabilities of every kind, nature and description, whatsoever and howsoever arising, raised, incurred or utilized for the business or operations of the Transferor Company, whether present or future, whether or not required to be reflected on a balance sheet in accordance with the Accounting Standards and includes secured and unsecured debts, sundry creditors, contingent liabilities, secured loans, unsecured loans, borrowings, statutory liabilities (including those under taxation laws and stamp duty laws), contractual liabilities, duties, obligations, guarantees and those arising out of proceedings of any nature.
- (o) **“Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and include any amendments, modifications or any enactments thereof.
- (p) **“NCLT”**
Means the applicable bench(es) of the National Company Law Tribunal, Chandigarh Bench having jurisdiction in relation to the Transferor and Transferee Company.
- (q) **“NCLAT”**
Means the National Company Law Appellate Tribunal.
- (r) **“NSE”** shall mean National Stock Exchange of India Limited.
- (s) **“Official Liquidator”** having jurisdiction and shall perform all functions/activities on the direction of the Statutory Authority.

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- (t) **“Person”**
Means any individual, general or limited partnership, corporation, limited liability company, joint stock company, trust, joint venture, unincorporated organization, association or any other entity, including any Governmental Authority, or any group consisting of two (2) or more of the foregoing.
- (u) **“Registrar of Companies”** means the concerned Registrar of Companies.
- (v) **“Regional Director”** means the office of the Regional Director, Northern Region.
- (w) **“Scheme” or “this Scheme” or “the Scheme”**
Means this Scheme of Amalgamation in its present form as submitted to the relevant authorities or this Scheme with such modification(s), if any, as may be made by the members and the creditors of the Transferor Company and/or the Transferee Company or such modifications(s) as may be imposed by any Relevant Authority while sanctioning the Scheme and accepted by the respective Board of Directors.
- (x) **“SEBI”**
Means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992 as amended.
- (y) **“Stock Exchange”** shall mean BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where equity shares of Kajaria Ceramics Limited are currently listed.
- (z) **“Tax” or “Taxes”**
Means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with

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respect thereto), in each case in the nature of a tax, imposed by any Governmental Authority under applicable Laws, whether payable directly or by withholding, including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, taxes withheld or paid in a foreign country, customs duty and registration fees.

(aa) **“Transferor Company”**

Means Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited), a company incorporated under the Companies Act, 2013 and presently having its Registered Office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana – 122001, India.

(bb) **“Transferee Company”**

Means Kajaria Ceramics Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana – 122001, India.

(cc) **“Tribunal”**

Means National Company Law Tribunal, Bench at Chandigarh.

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(dd) **“Undertaking”**

Means the entire business operations of the Transferor Company as on Appointed Date including:

- (a) all the assets including current, non-current, movable, and immovable.
- (b) all the debts, liabilities, requirements and dues.
- (c) without prejudice to the generality of sub-paragraphs (a) and (b), the undertaking of the Transferor Company shall include their reserves and surplus, if any, movable and immovable properties, assets including leasehold rights, investments, holdings, tenancy rights, licenses, approvals, permissions, orders, statutory relief and concessions, permits authorizations, intellectual property, trademarks, copyright, brand, software, applications, goodwill, telephones, telexes, computers, facsimile, electronic and electricity gadgets and instruments, transmissions lines and communication facilities and equipment, rights, benefits and privileges of all agreements and all other interests, rights and powers of every kind and description whatsoever, privileges, liberty, easement, advantage, benefits and approvals.
- d) all records, files, papers and other records whether in physical or electronic form.

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

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3. INTERPRETATION


The expressions, which are used but are not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act or Income Tax Act, 1961 and/or any other applicable Laws.

In this scheme, unless the context otherwise requires:

- i. references to a statute or statutory provision include any subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated)
- ii. references to the singular include the plural and vice versa and references to any gender includes the other gender;
- iii. references to a "company" shall include a body corporate,
- iv. references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced.
- v. references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;
- vi. headings are for convenience only and shall be ignored in construing or interpreting any provision of this Scheme;
- vii. the expression "this Clause" shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (and not merely the sub-Clause, paragraph or other provision) in which the expression occurs;
- viii. references to Clauses and Schedules are to Clauses of and Schedules to this Scheme;
- ix. references to any Person shall include that Person's successors and permitted assigns or transferees;

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- x. references to the words "include" or "including" shall be construed without limitation;
- xi. references to the words "hereof", "herein", "hereto", "hereunder" and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme:
- xii. references to "INR" or "Rs." or "Re" or "Rupees" are to Indian National Rupees;
- xiii. where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words; and
- xiv. if the last day of any period of days specified in this Scheme is not a Business Day, then such period shall include the following Business Day.

4. SHARE CAPITAL

4.1 The authorised, issued, subscribed and paid up share capital of the Transferor Company as on 31st March, 2019 is as under:

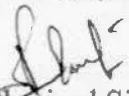
Particulars	Amount (In Rupees)
Authorised Share Capital	
2,50,00,000 Equity Shares of Rs. 10 each	25,00,00,000
Total	25,00,00,000
Issued, Subscribed and Paid-up Capital	
1,00,00,000 equity shares of Rs. 10 each	10,00,00,000
Total	10,00,00,000

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The Equity Shares of the Transferor Company are not listed on any Stock Exchange. Subsequent to 31st March, 2019 and up to the date of approval of this Scheme by the Board of Transferor Company, there has been no change in the Authorised, Issued, Subscribed and Paid up Share Capital of Transferor Company. The Transferor Company doesn't have any authorised, issued, subscribed and paid up Preference Share Capital as at 31st March, 2019.

4.2 **The authorised, issued, subscribed and paid up share capital of the Transferee Company as on 31st March, 2019 is as under:**

Particulars	Amount (In Rupees)
Authorised Share Capital	
52,00,00,000 Equity Shares of Re. 1 each	52,00,00,000
77,10,000 Preference Shares of Rs. 100 each	77,10,00,000
Total	1,29,10,00,000
Issued, Subscribed and Paid- up Capital	
15,89,50,300 equity shares of Re. 1 each	15,89,50,300
Total	15,89,50,300

The Equity Shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.

Subsequent to 31st March, 2019 and up to the date of approval of this Scheme by the Board of Transferee Company, there has been no change in the Authorised, Issued, Subscribed and Paid up Share Capital of Transferee

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Company. The Transferee Company doesn't have any issued, subscribed and paid up Preference Share Capital as at 31st March, 2019.

PART II – REORGANISATION OF SHARE CAPITAL

5. “Increase in Authorized Share Capital”


- 5.1 After sanctioning the Scheme by the Hon'ble National Company Law Tribunal at Chandigarh, as the case may be, on and from the Effective Date, the Authorized Share Capital of the Transferee Company as on date of filing of order shall stand increased by vesting the Authorized Share Capital of the Transferor Company as on date of filing of order, without any further act or deed.
- 5.2 It is hereby clarified that the consent of the shareholders of the Transferee Company to the Scheme shall be sufficient for purposes of effecting this amendment in the Memorandum of Association of the Transferee Company and that no further approvals or resolutions under Sections 13, 14 and 61 or any other applicable provisions of the Act, would be required to be obtained or separately passed, nor any additional registration fee, stamp duty, etc., be payable by the Transferee Company. Further for this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorized share capital shall be utilized and applied to increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorized share capital. Further, the Transferee Company shall pay the requisite fee, if any, arises due to difference in maximum statutory fee as per Companies Act, 1956 and Act payable on such combined authorized share capital.
- 5.3 Pursuant to this Scheme, the Transferee Company shall file the requisite forms/ documents, if required, with the concerned Registrar of Companies, for alteration of its authorized share capital.

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5.4 Accordingly on Scheme becoming effective, Clause V of the Memorandum of Association of the Transferee Company shall stand altered and be substituted to read as follows:

The Authorised Share Capital of the Company is INR 154,10,00,000 (Rupees One Hundred Fifty Four Crores Ten Lakhs only) divided into 77,00,00,000 (Seventy Seven Crores) Equity Shares of Re. 1/- each (Rupee One Only) aggregating to INR 77,00,00,000 (Rupees Seventy Seven Crores Only) and 77,10,000 (Seventy Seven Lakhs Ten Thousand) Redeemable Preference Shares of Rs. 100/- each (Rupees One Hundred Only) aggregating to INR 77,10,00,000 (Rupees Seventy Seven Crores Ten Lakhs Only). The Preference shares may be at par or at premium, convertible or non-convertible into equity shares, with or without voting rights, cumulative or non-cumulative, participating or non-participating and may carry such dividends, maturity periods and subject to such other terms & conditions as may from time to time be decided by the Board of Directors of the Company. The equity shares may be with the rights, privileges and conditions attached thereto as are provided by the regulation of the Company and to divide the shares in the capital of the Company for the time being in accordance with the provision of the Act and the regulations of the Company and to vary, modify or abrogate in such manner as may for time being be provided by the regulation of the Company.


5.5 For the avoidance of doubt, it is hereby clarified that if the authorized share capital of the Transferor Company or the Transferee Company undergoes any change, either as a consequence of any corporate action or otherwise, then the authorized share capital to be specified in Clause V of the Memorandum of Association of the Transferee Company with effect from the Effective Date shall automatically stand modified to take into account the effect of the change.

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- 5.6 After Amalgamation of the Transferor Company with the Transferee Company, the shares held by the Transferor Company, if any, in the Transferee Company or the shares held by the Transferee Company in the Transferor Company, if any, will be automatically cancelled upon scheme becoming effective.

**PART III – AMALGAMATION, TRANSFER & VESTING OF
UNDERTAKING**

6. “Transfer of undertakings”


- 6.1. Subject to the provisions of this scheme, with effect from the opening of business as on the Appointed Date, all the undertakings of the Transferor Company shall, without any further act or deed, be and shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company pursuant to the provisions of the Act on a going concern basis.
- 6.2. With effect from the Effective Date and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required, the reserves, if any, of the Transferor Company will be merged with those of the Transferee Company in the same form as they appear in the Financial Statement of the Transferor Company. In other words, the identity of the reserves of the Transferor Company shall be preserved at the hands of the Transferee Company.
- 6.3. In case of any difference in accounting policies between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation shall be quantified and adjusted in the revenue reserve(s) to ensure that the Financial Statement of the Transferee Company reflect the financial position on the basis of its consistent accounting policies.

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- 6.4. Save as otherwise provided, the books of account including related papers as on close of business day on the day immediately preceding the Appointed Date shall be taken from the undertaking of the Transferor Company and all the assets and liabilities of the undertaking shall be incorporated in the books of account of the Transferee Company at the respective book value thereof appearing in the books of account of the Transferor Company.

7. **“Transfer of Assets”**

Upon the sanction of the Scheme by the NCLT, and without prejudice to the generality of the preceding Clause, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- 7.1 All the assets and properties of the Transferor Company of whatsoever nature and where so ever situated, including all rights, titles, interest and privileges, powers and authorities in the movable and immovable properties, if any, tangible and intangible assets, including bank balances, all advances recoverable in cash or kind or value to be received, and all deposits/ balance whether with Government or semi-Government, local authorities or any other institution and bodies, advance tax(es) paid, if any, all benefits accruing as on the Appointed Date under the Income Tax Act or under any other fiscal laws like GST, input service tax credit, sales tax credit, cenvat credit and deferred tax asset etc., deposits, cash in hand, loans to any other body corporate, investments of all kinds, if any, reversions, powers, authorities, allotments, approvals including but not limited to approvals, consents and/ or certificates obtained under the provisions of Income Tax Act, all consents, licenses, registrations in the name of the Transferor Company including registrations under statutory laws, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, and privileges, if any of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by Transferor Company (hereinafter referred to as "Assets"),

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shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company so as to become, as and from the Appointed Date, the Assets of Transferee Company, on a going concern basis.

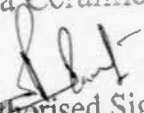
- 7.2. Without prejudice to the provisions of Clause 7.1 above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property and are capable of transfer by manual delivery or by endorsement and/ or delivery by possession, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company without requiring any separate deed or instrument or conveyance for the same on a going concern basis.
- 7.3. In respect of movables other than those dealt with in Clause 7.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi Government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, or any class of them, as the case may be), that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company. In addition, the Transferor Company shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee

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- Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company on a going concern basis and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 7.4. With effect from the Effective Date and until such time the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in so far as may be necessary.
- 7.5. All cheques and other negotiable instruments, payment orders received in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment after the Effective Date.
- 7.6. The Transferee Company, at any time after the coming into effect of this Scheme, may execute deeds of confirmation in favor of any party to any contract or arrangement or memorandum of understanding, to which the Transferor Company 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 this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company to be carried out or performed.
- 7.7. All the statutory licenses, consents, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status, no

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objection certificates and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company, and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become, as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. If the terms of the licenses, permits, quotas, approvals, permissions are such that they cannot be transferred/ assigned/ endorsed in the name of the Transferee Company and/ or any of the concerned authorities specifically direct the Transferee Company to make a fresh application, in such scenarios, the Transferee Company shall comply with the necessary directions including but not limited to making a fresh application or such other application as may be directed by the concerned authority for the desired transfer of the licenses, permits, quotas, approvals, permissions in the name of the Transferee Company and pending the requisite fresh permissions, approvals, consents etc., the Transferee Company shall, to the extent permissible under the Law, be allowed to continue to use the existing approvals, consents, permissions etc. issued in the name of the Transferor Company. All brands, copyrights, trademarks, or any other kind of intellectual property, if any, registered with the authorities concerned or pending applications submitted at any time on or before the Effective Date or being used by the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all brands, copyrights, trademarks, any other intellectual property, statutory and

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regulatory permissions, environmental approvals and consents, GST registrations, service tax registrations, sales tax registrations, import export code, custom registration or other licenses and consents, if any, shall vest in and become available to the Transferee Company.


- 7.8. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the NCLT to the Transferee Company, the Transferee Company, if require shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning NCLT.
- 7.9. All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. Similarly, all the assets and properties, which are sold, transferred/ alienated by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be transferred/ alienated by and on behalf of the Transferee Company, and shall be recognized by the Transferee Company in the same manner as would have been recognized had such sale, transfer taken place after this Scheme had become effective under the provisions of Sections 230 to 232 and all other applicable provisions of the Act and upon the Scheme becoming effective, the Transferee Company shall record the entries in its books of accounts appropriately.

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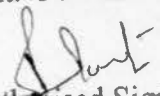
- 7.10. All the insurance policies, if any, registered in the name of the Transferor Company shall, pursuant to the provisions of Section 232(4) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, the insurance companies shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Company.
- 7.11. Until the owned property, leasehold property and related rights thereto, license or right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/or perfected in the record of the Governmental Authorities in favour of the Transferee Company, the Transferee Company shall be deemed to be authorized to carry on business in the name and style of the Transferor Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Transferee Company shall keep a record and account of such transactions.
- 7.12. For purposes of taking on record the name of the Transferee Company in the records of the Government Authorities in respect of transfer of immovable properties to the Transferee Company pursuant to this Scheme, the Boards of Directors of the Transferor Company and the Transferee Company may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or leave or license agreement (as the case may be) by the Transferor Company in favour of the Transferee Company.
- 7.13. Upon this Scheme becoming effective, all Governmental Approvals and other consents, permissions, quotas, rights, authorizations, entitlements, registrations, no-objection certificates and licenses, including approvals from state electricity boards, state pollution control boards, municipalities, tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the

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benefit of which the Transferor Company may be entitled to use or which may be required to carry on the operations of the Transferor Company, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Transferee Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any Governmental Authority, or by any other Person, or availed by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee Company.

- 7.14 Upon this Scheme becoming effective, all electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states to the Transferor Company, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument or deed. The relevant electricity, gas, water and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Transferee Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date falls. The Transferee Company shall comply with the terms, conditions and covenants associated with the grant of such connection and shall also be entitled to refund of security deposits placed with such companies, boards, agencies and authorities by the Transferor Company.

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- 7.15 Upon this Scheme becoming effective, all Intellectual Property Rights of the Transferor Company shall, without any requirement of any further act, instrument or deed, stand transferred to and vested in the Transferee Company. This Scheme shall serve as a requisite consent for use and transfer of the Intellectual Property Rights of the Transferor Company, without requiring the execution of any further deed or document, so as to transfer the said Intellectual Property Rights in favour of the Transferee Company.
- 7.16 Upon this Scheme becoming effective, in relation to Assets (if any) belonging to the Transferor Company which require separate documents for vesting in the Transferee Company, the Transferor Company and the Transferee Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- 7.17 The assets and properties forming part of Transferor Company which are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement shall stand transferred by Transferor Company to Transferee Company upon coming into effect of the Scheme and shall, without any other separate order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same on a going concern basis.

8. "Transfer of Liabilities"

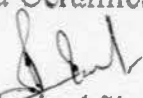
- 8.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities of the Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, advance received, liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever (herein referred to as the "Liabilities"), shall, pursuant to the sanction of this Scheme by the NCLT and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of

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the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding till the Effective Date so as to become, as on and from the Appointed Date, the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further 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 Liabilities have arisen in order to give effect to the provisions of this Clause.

- 8.2. All debts, liabilities, duties and obligations, if any, of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- 8.3. Where any such debts, loans raised, liabilities, duties and obligations (including contingent liabilities) of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 8.4. Loans, duties and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company inter-se

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and/ or the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of account and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations, if any, with effect from the Appointed Date.

9. "Treatment of Taxes"

9.1. Upon the Scheme becoming effective, all taxes payable by the Transferor Company under the Income Tax Act, Central Goods and Services Tax Act, 2017 and Goods and Services Tax Act, 2017, Central Sales Tax Act, 1956, State Sales Tax laws or other Applicable Laws/ regulations dealing with taxes/ duties/ levies or any other tax as may be applicable on the Transferor Company (hereinafter in this Clause referred to as "Tax Laws") shall be transferred to the account of the Transferee Company; similarly all credits for taxes including Minimum Alternate Tax, if any, advance tax, tax deduction at source on income of the Transferor Company will be transferred to the account of the Transferee Company. Further, obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly any advance tax payment required to be made for by the specified due dates in the tax laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Any refunds under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

9.2. All taxes of any nature, duties, cess or any other like payment or deductions made by Transferor Company to any statutory authorities such as Income

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Tax, GST, Sales Tax, Service Tax etc. or any tax deduction collection at source, tax credits including GST under Tax laws, relating to the period after the Appointed Date up to the Effective Date shall be deemed to have been paid by or on account of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the orders on this Scheme by the NCLT upon relevant proof and documents being provided to the said authorities.

- 9.3. The income tax, if any, paid by the Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of the Transferee Company. Further, upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise its Income Tax Returns, GST Returns or any other returns filed under the Tax Laws and to claim refunds, advance tax and withholding tax credits, etc. pursuant to or consequent to the provisions of the Scheme.

10. "Contracts, Deeds and Other Instruments"

On and from the Appointed Date and subject to the provisions to the contrary herein contained, if any, all contracts, lease, deeds, bonds, agreements, insurance policies, engagements, memorandum of understanding and other instruments, if any, of whatsoever nature to which the Transferor Company is party or to the benefit of which the Transferor Company is entitled and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of the Transferor Company it had been a party thereto or beneficiary in respect thereof. The Transferee Company shall if and to the extent by law required, enter into and/or execute deeds, writings or confirmations to give formal effect to the provisions of this Clause and to the

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extent that the Transferor Company is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

11. "Legal Proceedings"

All legal and other proceedings of whatsoever nature by and against the Transferor Company, if any, pending, the same shall not abate, shall not be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in the Scheme, but the said proceedings may be continued, prosecuted and enforced by and against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the effective date, the Transferee Company shall or may continue, prosecute, enforce or initiate any legal proceedings for and on behalf of the Transferor Company.

12. "Operative Date of the Scheme"

The Scheme, although operative from the Appointed Date, shall become effective from the effective date.

13. "Employees of the Transferor Company"

All the staff and other employees, if any, in the service of the Transferor Company immediately preceding the Effective Date shall become staff and employees of the Transferee Company on the basis that:

- 13.1. The said staff and employees' services shall be deemed to have been continuous and not interrupted by reason of the said transfer.

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- 13.2. The terms and conditions of service applicable to the said employees, staff after such transfer shall not in any way be less favorable to them than those applicable to them immediately preceding the transfer.
- 13.3. It is expressly provided that as far as the provident fund, gratuity fund, employees state insurance or any other special fund or policy credited or existing for the benefit of the employees, staff of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company and shall for all purposes whatsoever in respect of the administrative or the operation of such scheme or funds or in relation to the obligations to make contributions to the said funds in accordance with the provision of such scheme or funds according to the terms provided in the respective trust deeds. It is the aim and objectives of the Scheme that all rights and duties, powers and obligations of the Transferor Company in relation to such schemes or the funds shall be continued and shall be the funds of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of aforesaid schemes or funds.

14. "Conduct of business:"

(a) By Transferor Company

With effect from the Appointed Date and up to the Effective date, the Transferor Company:

1. shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Company or losses arising or incurred by them shall for all purposes, be treated as the profits or losses of the Transferee Company as the case may be.

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2. Undertakes that it shall carry on their business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encounter or otherwise deal with the assets or any part thereof except in the ordinary course of business.
3. Other than ordinary course of business, Transferor Company shall not alienate charge, mortgage, encumber or otherwise deal with the assets or any part thereof without the prior consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the appointed date.
4. shall not make any change in their capital structure either by any increase (by issue of rights shares, equity or preference shares, bonus shares, convertible debentures or otherwise) decrease, reduction except reclassification, sub-division or consolidation, reorganization, or in any other manner, except with prior consent of the Board of Directors of the Transferee Company.
5. shall not, without the prior consent of the Board of Directors of the Transferee Company, undertake any new business activities.

(b) By Transferee Company

The Transferee Company will carry on the business in accordance with the objects set out in the Memorandum of Association. Before carrying out any other nature of business, the Transferee Company will act in accordance with the provisions of the Act and if necessary will take appropriate steps for amendment in the object clause of Memorandum of Association of the Company in accordance with law.

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15. "Contracts"

The transfer of the undertaking to the Transferee Company and the continuance of the contracts by or against the Transferee Company shall not affect any contracts relating to the undertaking of the Transferor Company on or after the Appointed Date.

16. "Saving of Concluded Transactions"

The transfer and vesting of the undertaking under Clause 6 and continuance of legal proceedings by or against the Transferor Company as per Clause 11 shall not affect any transaction or proceedings already concluded by the Transferor Company on or 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 Company in respect thereto as done and executed on behalf of itself.

17. "Borrowing Limits; Corporate Approvals"

- a. With effect from the Effective Date, the borrowing and investment limits of the Transferee Company under the Act shall be deemed without any further act, instrument or deed to have been enhanced by the borrowing and investment limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.
- b. Any corporate approvals obtained by the Transferor Company, whether for purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

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18. "Inter se Transactions"


With effect from the Effective Date, all inter se Contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of account and records of the Transferee Company.

19. ACCOUNTING TREATMENT FOR AMALGAMATION

19.1 Accounting Treatment in the books of Transferee Company:

- a. Upon the scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in the books of account in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India and specifically under 'Pooling of Interest Method' of accounting as laid down in Appendix C of IND-AS 103 (Business Combinations of entities under common control) as under.
- b. All the assets, liabilities and reserves in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the scheme and shall be recorded by the Transferee Company at their carrying amount as appearing in the books of Transferor Company, on the Appointed Date;
- c. The carrying amount of investments in the equity shares of the Transferor Company held by Transferee Company, shall stand cancelled and there shall be no further obligation in that behalf;

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- d. Upon the scheme coming into effect, the surplus /deficit, if any of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company over the value of investments cancelled pursuant to Clause 19.1.c, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company;
- e. Inter-Company transactions and balances including loans, advances, receivable or payable inter se between the Transferor Company and the Transferee Company as appearing in their books of account, if any, shall stand cancelled;
- f. Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

19.2 Accounting Treatment in the Books of Transferor Company:

Notwithstanding anything contained in any other clause in the Scheme, Transferor Company shall give effect to the merger in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind -AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rule, 2015, as may be amended from time to time.

PART IV – MISCELLANEOUS PROVISIONS

20. “Dissolution of Transferor Company”


On the Scheme becoming effective, the Transferor Company shall be dissolved without the process of winding up in accordance with the provisions of the Act and the Rules made thereunder.

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21. “Application to NCLT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make joint application under Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 to the NCLT at Chandigarh for sanctioning of this Scheme and for dissolution of the Transferor Company without the winding up process.

22. “Modifications/Amendments to the Scheme”

22.1 The Transferor Company (by or through its Directors) and the Transferee Company (by or through its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which NCLT and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise of implementing and/or carrying out the Scheme and to all acts, deeds and things as may be necessary, desirable or expedient for putting the scheme into effect.

22.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Board of Directors of the Transferor Company as well as the Transferee Company are hereby authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

23. “Scheme upon Conditional Approvals”

This Scheme is conditional upon and subject to:

- a) registration and sanctioning of the Scheme by the Hon’ble National Company Law Tribunal at Chandigarh under Sections 230 to 232 including

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Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other applicable provision of the Companies Act, 2013 in favour of the Transferor Company and the Transferee Company respectively and the necessary orders from the Hon'ble National Company Law Tribunal under Section 232 of the Act being obtained;

- b) any other sanction or approval or permission or consent of banks, financial institutions or other appropriate authorities, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

24. "Expenses Connected with the scheme"

All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing and completing the terms and provisions of the Scheme and/or and incidental to the completion of the amalgamation of the said undertaking of the Transferor Company in pursuance of this Scheme shall, except as specifically provided herein be borne and paid by the Transferee Company. In the event of the amalgamation being not approved by the shareholders or sanctioned by the Hon'ble National Company Law Tribunal at Chandigarh, as the case may be, the Transferee Company shall bear all expenses connected with the Scheme as the case may be.

25. "Effect of non-receipt of Approval"

In the event of any of the said sanctions and approvals referred to in Clause 23 above not being obtained or having been obtained subject to certain conditions which are unacceptable and/or the Scheme not being sanctioned by the Hon'ble National Company Law Tribunal at Chandigarh and/or the order or orders not being passed as aforesaid within such further period(s) as

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may be agreed upon between the Transferor Company and the Transferee Company through its respective Directors (and which the Board of Directors of all the Companies are hereby empowered and authorized to agree to and extend from time to time without any limitation), the Scheme shall become null and void save and except in respect of any act or deed done prior thereto as in contemplated hereunder or as to any right, liability or obligation which has 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, and Transferee Company shall bear and pay all costs, charges and expenses for and/or in connection with the Scheme.

26. "Withdrawal of this Scheme"

26.1 The Transferor Company and/or the Transferee Company acting through its respective Board of Directors or Representatives duly authorized by the respective Board of Directors shall be at liberty to withdraw this Scheme.

26.2 In the event of withdrawal under Clause 26.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Companies or their respective shareholders or creditors or employees or any other Person as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with applicable Law.

26.3 In the event of withdrawal under Clause 26.1 above, the Companies shall take all necessary steps to withdraw this Scheme from the NCLT and any other authority and to make all necessary filings/applications as may be required to withdraw this Scheme.

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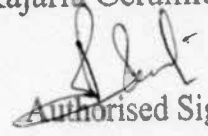

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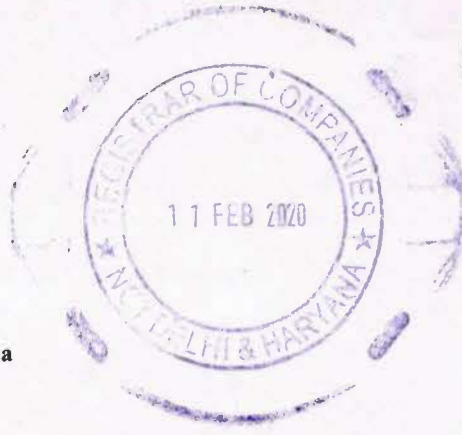
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27. "Miscellaneous"

In case any doubt or difference or issue shall arise between the Transferor Company and the Transferee Company or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any shares in the Transferor Company and the Transferee Company, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled among the Board of Directors of the Companies, and the decision arrived at therein shall be final and binding on all concerned

FOR KAJARIA TILES PRIVATE LIMITED (FORMERLY KNOWN AS KAJARIA FLOERA CERAMICS PRIVATE LIMITED) (TRANSFEROR COMPANY) For KAJARIA TILES PVT. LTD.  _____ Authorised Signatory	FOR KAJARIA CERAMICS LIMITED (TRANSFEE COMPANY) For Kajaria Ceramics Ltd.  _____ Authorised Signatory
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To,

Registrar of Companies, Delhi & Haryana
4th Floor, IFCI Tower, 61,
Nehru Place, New Delhi - 110019

Subject: Submission of Scheme of Amalgamation of Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited) with Kajaria Ceramics Limited and their respective Shareholders in pursuance of Section 232(2)(b) of the Companies Act, 2013.

Dear Sir,

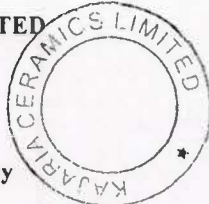
With regard to the above subject, we wish to inform you that the Hon'ble National Company law Tribunal, Chandigarh Bench vide order dated 03rd February, 2020 in the matter of Scheme of Amalgamation of Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited) with Kajaria Ceramics Limited (CA No. 1072/2019, 1074/2019, 1246/2019 And CA (CAA) No. 38/Chd/Hry/2019) has dispensed with the requirement of holding of meeting of creditors and shareholders of the Company subject to the conditions laid down in the said order.

Pursuant to Section 232(2)(b) of the Companies Act, 2013, we would like to submit the Scheme of Amalgamation between Kajaria Tiles Private Limited ("KTPL") (Formerly known as Kajaria Floera Ceramics Private Limited) (Transferor Company) with Kajaria Ceramics Limited ("KCL") (Transferee Company) and their respective Shareholders.

A copy of the said Scheme of Amalgamation is enclosed for your kind perusal.

For **KAJARIA CERAMICS LIMITED**

R.C. Rawat
COO (A&T) & Company Secretary
FCS 5101
A-95, Madhuban, Preet Vihar, New Delhi-110092



Date: 11.02.2020

Place: New Delhi

Kajaria Ceramics Limited

To,

Registrar of Companies, Delhi & Haryana
4th Floor, IFCI Tower, 61,
Nehru Place, New Delhi - 110019



Subject: Submission of Scheme of Amalgamation of Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited) with Kajaria Ceramics Limited and their respective Shareholders in pursuance of Section 232(2)(b) of the Companies Act, 2013.

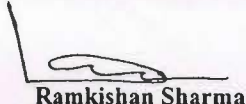
Dear Sir,

With regard to the above subject, we wish to inform you that the Hon'ble National Company law Tribunal, Chandigarh Bench vide order dated 03rd February, 2020 in the matter of Scheme of Amalgamation of Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited) with Kajaria Ceramics Limited (CA No. 1072/2019, 1074/2019, 1246/2019 And CA (CAA) No. 38/Chd/Hry/2019) has dispensed with the requirement of holding of meeting of creditors and shareholders of the Company subject to the conditions laid down in the said order.

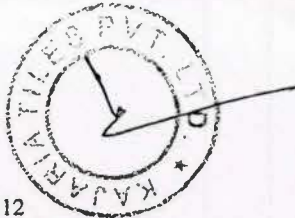
Pursuant to Section 232(2)(b) of the Companies Act, 2013, we would like to submit the Scheme of Amalgamation between Kajaria Tiles Private Limited ("KTPL") (Formerly known as Kajaria Floera Ceramics Private Limited) (Transferor Company) with Kajaria Ceramics Limited ("KCL") (Transferee Company) and their respective Shareholders.

A copy of the said Scheme of Amalgamation is enclosed for your kind perusal.

For KAJARIA TILES PRIVATE LIMITED
(Formerly known as Kajaria Floera Ceramics Private Limited)


Ramkishan Sharma

Director
DIN: 06746188
D-512, Gyandeept Apartments, Sector 11,
Vasundhara, Ghaziabad, Utter Pradesh- 201012



Date: 11.02.2020

Place: New Delhi

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KAJARIA TILES PRIVATE LIMITED IN ITS MEETING HELD ON 10TH FEBRUARY, 2020 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS PURSUANT TO SECTION 232(2)(C) OF THE COMPANIES ACT, 2013

1. Background

- a) At the Board meeting held on August 26, 2019, the Board of Directors of Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited) has unanimously approved the proposed Scheme of Arrangement ("Scheme") between Kajaria Tiles Private Limited ("KTPL") (Formerly known as Kajaria Floera Ceramics Private Limited) and Kajaria Ceramics Limited ("KCL") under Section 230 to 232 of the Companies Act, 2013 ("the Act").
- b) As per the provisions of Section 232(2)(c) of the Act, the Board of the Company is required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any. In terms of Section 232(2)(c) of the Act, the said report as adopted by the Board of Directors of the Company is required to be circulated along with the notices to be served to the Secured Creditors of the Company as per the Order of the National Company Law Tribunal, Chandigarh Bench ('NCLT').
- c) That *vide* Order dated 03.02.2020, the Chandigarh Bench of the Hon'ble National Company Law Tribunal, has inter-alia dispensed with the meeting(s) of the Secured Creditors of Kajaria Ceramics Limited (Transferee Company) and Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited) and have also dispensed with the meeting of Equity Shareholders and Unsecured Creditors of Kajaria Ceramics Limited and Kajaria Tiles Private Limited, subject to strict compliance of the conditions as laid down in the above mentioned Order, for the purpose of considering, approving the Scheme of Amalgamation between Applicant Companies. That the Hon'ble NCLT has further directed the Company to send notices to the secured creditors who as on the date of passing the order i.e. 03.02.2020 are having outstanding debt amounting to not less than 5(five) percent of the total secured debt of the Company.
- d) This report of the Board is made in pursuance of the requirements of Section 232(2)(c) of the Act.

2. Valuation

- a) Based on the Scheme of Arrangement between KTPL and KCL and the Order of the National Company Law Tribunal, Chandigarh Bench dated 03rd February, 2020, the Valuation Report is not required as the Transferee Company directly or indirectly holds 100% shares in the Transferor Company and the Scheme is between the Transferee Company and its wholly owned subsidiary and the interest of the shareholders of the Transferee Company are not affected, therefore there is no requirement of issuance of shares by the parent company as such amalgamation involves a cancellation of shares.
- b) As no valuation report was required, therefore no special valuation difficulties were reported.

KAJARIA TILES PRIVATE LIMITED
(Formerly known as Kajaria Floera Ceramics Private Limited)

3. Effect of the Scheme of Amalgamation on equity shareholders, key managerial personnel, promoters and non-promoter shareholders of KTPL
- a) On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand dissolved without the process of winding up.
 - b) Upon the Scheme coming into effect, all the existing shares/share certificates pertaining to the shares of the Transferor Company as on the Scheme coming into effect shall stand cancelled and will become invalid and shall cease to be transferable..
 - c) Upon the Scheme becoming effective, 100% of the equity shares of KTPL held by KCL will be cancelled and authorised share Capital of KCL shall stand increased by vesting the authorised share capital of KTPL as on the date of filing of order, without any further act or deed. Accordingly Equity shareholders (i.e. promoters and non-promoters shareholders) of KTPL will cease to be shareholder of KTPL.
 - d) The Directors of KTPL will cease to be Directors of KTPL and the Key Managerial Personnel (KMPs) who are employees of the KTPL will become employees of KCL.

For Kajaria Tiles Private Limited
(Formerly known as Kajaria Floera Ceramics Private Limited)



Ramkishan Sharma
Director
DIN: 06746188

Date: 10.02.2020
Place: New Delhi

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KAJARIA CERAMICS LIMITED IN ITS MEETING HELD ON 10TH FEBRUARY, 2020 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS PURSUANT TO SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

1. Background

- a) At the Board meeting held on August 26, 2019, the Board of Directors of Kajaria Ceramics Limited has unanimously approved the proposed Scheme of Arrangement ("Scheme") between Kajaria Tiles Private Limited ("KTPL") (Formerly known as Kajaria Floera Ceramics Private Limited) and Kajaria Ceramics Limited ("KCL") and their respective shareholders and creditors under Section 230 to 232 of the Companies Act, 2013 ("the Act").
- b) As per the provisions of Section 232(2)(c) of the Act, the Board of the Company is required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any. In terms of Section 232(2)(c) of the Act, the said report as adopted by the Board of Directors of the Company is required to be circulated along with the notices to be served to the Shareholders and Creditors of the Company as per the Order of the National Company Law Tribunal, Chandigarh Bench ('NCLT').
- c) That *vide* Order dated 03.02.2020, the Chandigarh Bench of the Hon'ble National Company Law Tribunal, has inter-alia dispensed with the meeting(s) of the Secured Creditors of Kajaria Ceramics Limited (Transferee Company) and Kajaria Tiles Private Limited (Formerly known as Kajaria Floera Ceramics Private Limited) and have also dispensed with the meeting of Equity Shareholders and Unsecured Creditors of Kajaria Ceramics Limited and Kajaria Tiles Private Limited, subject to strict compliance of the conditions as laid down in the above mentioned Order, for the purpose of considering, approving the Scheme of Amalgamation between Applicant Companies. That the Hon'ble NCLT has further directed the Company to send notices to the secured/unsecured creditors who as on the date of passing the order i.e. 03.02.2020 are having outstanding debt amounting to not less than 5(five) percent of the total secured/unsecured debt of the Company and also to the equity shareholders as on 03.02.2020 having shares of not less than five percent of the subscribed share capital of the Company.
- d) This report of the Board is made in pursuance of the requirements of Section 232(2)(c) of the Act.

2. Valuation

- a) Based on the Scheme of Arrangement between KTPL and KCL and the Order of the National Company Law Tribunal, Chandigarh Bench dated 03rd February, 2020, the Valuation Report is not required as the Transferee Company directly or indirectly holds 100% shares in the Transferor Company and the Scheme is between the Transferee Company and its wholly owned subsidiary and the interest of the shareholders of the Transferee Company are not affected, therefore there is no requirement of issuance of shares by the parent company as such amalgamation involves a cancellation of shares.
- b) As no valuation report was required, therefore no special valuation difficulties were reported.



Kajaria Ceramics Limited

3. **Effect of the Scheme of Amalgamation on equity shareholders, key managerial personnel, promoters and non-promoter shareholders of KCL**
- On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand dissolved without the process of winding up.
 - Upon the Scheme coming into effect, all the existing shares/share certificates pertaining to the shares of the Transferor Company as on the Scheme coming into effect shall stand cancelled and will become invalid and shall cease to be transferable.
 - Upon the Scheme becoming effective, 100% of the equity shares of KTPL held by KCL will be cancelled and authorised share Capital of KCL shall stand increased by vesting the authorised share capital of KTPL as on the date of filing of order, without any further act or deed. There will be no effect on equity shareholders (i.e. promoters and non-promoters shareholders) of KCL.
 - There will be no impact on Directors and Key Managerial Personnel's of KCL.

For Kajaria Ceramics Limited



R.C. Rawat
COO (A&T) & Company Secretary
FCS 5101

Dated: 10.02.2020
Place: New Delhi

KAJARIA CERAMICS LIMITED
PROVISIONAL BALANCE SHEET AS AT 31 DECEMBER 2019

PARTICULARS	AMOUNT(Rs.in Lacs)
ASSETS	
(1) NON-CURRENT ASSETS	
(a) PROPERTY, PLANT AND EQUIPMENT	67,450.82
(b) CAPITAL WORK-IN-PROGRESS	240.39
(c) RIGHT OF-USE-ASSETS	3,703.83
(d) OTHER INTANGIBLE ASSETS	284.37
(e) FINANCIAL ASSETS	
(i) INVESTMENTS	12,421.01
(ii) LOANS	36,139.70
(f) NON-CURRENT TAX ASSETS(Net)	426.76
(g) OTHER NON-CURRENT ASSETS	16.45
(2) CURRENT ASSETS	
(a) INVENTORIES	29,094.04
(b) FINANCIAL ASSETS	
(a) INVESTMENTS CURRENT	2,569.52
(i) TRADE RECEIVABLES	37,576.55
(ii) CASH AND CASH EQUIVALENTS	2,318.46
(iii) BANK BALANCE OTHER THAN (ii) ABOVE	23,459.62
(iv) LOANS	425.48
(v) OTHER FINANCIAL ASSETS	99.77
(c) OTHER CURRENT ASSETS	2,978.33
TOTAL ASSETS	219,205.09

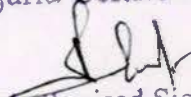
For Kajaria Ceramics Ltd.

 Authorized Signatory

KAJARIA CERAMICS LIMITED
PROVISIONAL BALANCE SHEET AS AT 31 DECEMBER 2019

PARTICULARS	AMOUNT(Rs.in Lacs)
EQUITY AND LIABILITIES	
EQUITY	
(a) EQUITY SHARE CAPITAL	1,589.50
(b) OTHER EQUITY	171,557.31
LIABILITIES	
NON-CURRENT LIABILITIES	
(a) FINANCIAL LIABILITIES	
(i) BORROWINGS	774.94
(b) PROVISIONS	817.48
(c) DEFERRED TAX LIABILITIES (NET)	7,138.61
(d) OTHER NON-CURRENT LIABILITIES	2,631.48
CURRENT LIABILITIES	
(a) FINANCIAL LIABILITIES	
(i) TRADE PAYABLES	
Total O/S Due Micro & Small Enterprises	1,800.94
Total O/S Due Other Then Micro & Small Enterprise	18,801.34
(iii) OTHER FINANCIAL LIABILITIES	7,071.48
(b) OTHER CURRENT LIABILITIES	5,072.48
(c) PROVISIONS	1,949.52
TOTAL EQUITY AND LIABILITIES	219,205.09

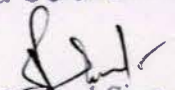
For Kajaria Ceramics Ltd.


 Authorised Signatory

KAJARIA CERAMICS LIMITED
PROVISIONAL PROFIT & LOSS ACCOUNT FOR YEAR ENDED: 31 DECEMBER 2019

PARTICULARS	AMOUNT(Rs.in Lacs)
INCOME	
REVENUE FROM OPERATIONS	196,874.13
OTHER INCOME	3,607.85
TOTAL INCOME (I)	200,481.98
EXPENSES	
(a) COST OF MATERIAL CONSUMED	35,874.96
(b) PURCHASES OF STOCK-IN-TRADE	63,272.99
(c) CHANGES IN STOCK OF FG, WIP AND STOCK TRADE	(864.59)
(e) EMPLOYEE BENEFIT EXPENSE	20,235.77
(f) FINANCE COSTS	605.46
(g) DEPRECIATION AND AMORTISATION EXPENSE	5,875.35
(h) OTHER EXPENSES	49,030.39
TOTAL EXPENSES - (II)	174,030.34
PROFIT BEFORE EXCEPTIONAL ITEMS & TAX (I-II)	26,451.65
TAX EXPENSE	
CURRENT TAX	7,165.37
DEFERRED TAX	3,056.39
TOTAL	4,108.98
PROFIT FOR THE YEAR	22,342.67
OTHER COMPREHENSIVE INCOME	
OTHER COMPREHENSIVE INCOME	115.08
NET PROFIT AFTER TAXES & COMPREHENSIVE INCOME	22,227.59

For Kajaria Ceramics Ltd.


 Authorised Signatory

KAJARIA TILES PRIVATE LIMITED
PROVISIONAL BALANCE SHEET AS AT 31 DECEMBER 2019

PARTICULARS	AMOUNT(Rs.inLacs)
ASSETS	
(1) NON-CURRENTASSETS	
(a) PROPERTY, PLANT AND EQUIPMENT	13,847.54
(b) CAPITAL WORK-IN-PROGRESS	666.85
(c) RIGHT OF-USE-ASSETS	13.99
(d) FINANCIAL ASSETS	
(ii) LOANS	80.65
(e) OTHER NON-CURRENT ASSETS	126.23
(2) CURRENT ASSETS	
(a) INVENTORIES	2,209.62
(b) FINANCIAL ASSETS	
(a) INVESTMENT CURRENT	
(i) TRADE RECEIVABLES	1,091.99
(ii) CASH AND CASH EQUIVALENTS	54.21
(iv) LOANS	0.01
(b) OTHER CURRENT ASSETS	1,608.95
TOTAL ASSETS	19,700.01

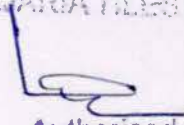
For KAJARIA TILES PVT. LTD.


Authorised Signatory

KAJARIA TILES PRIVATE LIMITED
PROVISIONAL BALANCE SHEET AS AT 31 DECEMBER 2019

PARTICULARS	AMOUNT(Rs.inLacs)
EQUITY AND LIABILITIES	
EQUITY	
(a) EQUITY SHARE CAPITAL	1,000.00
(b) OTHER EQUITY	(216.11)
LIABILITIES	
NON-CURRENT LIABILITIES	
(a) FINANCIAL LIABILITIES	
(i) BORROWINGS	15,865.34
(b) OTHER NON-CURRENT LIABILITIES	14.45
CURRENT LIABILITIES	
(a) FINANCIAL LIABILITIES	
(i) TRADE PAYABLES	
Total O/S Due Other Than Micro & Small Enterprise	517.18
(ii) OTHER FINANCIAL LIABILITIES	2,284.60
(b) OTHER CURRENT LIABILITIES	217.82
(c) PROVISIONS	16.72
(d) CURRENT TAX LIABILITIES (NET)	0.03
TOTAL EQUITY AND LIABILITIES	19,700.01


For KAJARIA TILES PVT. LTD.


Authorised Signatory

KAJARIA TILES PRIVATE LIMITED
PROVISIONAL PROFIT & LOSS ACCOUNT FOR YEAR ENDED: 31 DECEMBER 2019

PARTICULARS	Notes	AMOUNT(Rs.inLacs)
INCOME		
REVENUE FROM OPERATIONS	23	2,150.29
OTHER INCOME	24	27.63
	TOTAL INCOME (I)	2,177.93
EXPENSES		
(a) COST OF MATERIAL CONSUMED	25	1,408.42
(c) CHANGES IN STOCK OF FG, WIP AND STOCK TRADE	26	(1,238.57)
(e) EMPLOYEE BENEFIT EXPENSE	27	405.18
(f) FINANCE COSTS	28	348.46
(g) DEPRECIATION AND AMORTISATION EXPENSE	29	164.82
(h) OTHER EXPENSES	30	1,257.34
	TOTAL EXPENSES - (II)	2,345.65
	PROFIT BEFORE TAX (I-II)	(167.73)
	NET PROFIT AFTER TAXES	(167.73)

For KAJARIA TILES PVT. LTD.


Authorised Signatory