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20/06/25

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IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1

ITEM No.306

C.A.(CAA)/45(AHM)2024

Order under Section 230-232 of Companies Act, 2013

IN THE MATTER OF:

Asian Granito India Ltd
Adicon Ceramica Tiles Pvt. Ltd
Adicon Ceramics Limited

.....Applicant

Order delivered on: 19/06/2025

Coram:

Mr. Shammi Khan, Hon'ble Member(J)
Mr. Sanjeev Kumar Sharma, Hon'ble Member(T)

ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. The common order is pronounced in the open court, vide separate sheet.

Sd/-

SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-1, AHMEDABAD

CA(CAA)/45(AHM)2024

[Company Application under Sections 230 to 232 read with Section 366 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016].

In the matter of **Composite Scheme of Arrangement**

MEMO OF PARTIES

Asian Granito India Ltd. CIN:L17110GJ1995PLC027025 A company incorporated under the Companies Act, 1956 and having its registered office at 202, Dev Arc, Opposite Iskon Temple, S.G. Highway, SAC, Ahmedabad-380 015, Gujarat	..... Applicant Company No.1/ Resulting Company No.1
Adicon Ceramica Tiles Pvt.Ltd. CIN: U23912GJ2023PTC145194 A company incorporated under the Companies Act, 2013 and having its registered office at Survey No.343,345,346,347 P-1 and P-2, 348, 349 P-1 and P-2, Kandla Highway Road, 8-A, National Highway, Rajkot, Morbi-363 642, Gujarat	..... Applicant Company No.2/ Demerged Company
Adicon Ceramics Ltd. CIN: U23912GJ2023PLC139539 A company incorporated under the Companies Act, 1956 and having its registered office at 202, Dev Arc, Opposite Iskon Temple, S.G. Highway, SAC, Ahmedabad-380 015, Gujarat	..... Applicant Company No.3/ Resulting Company No.2

Order Pronounced on 19.06.2025

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
MR. SANJEEV KUMAR SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Applicants : Ms. Swati Soparkar, Advocate

O R D E R
Per Bench

1. This is a joint Company Application viz., CA(CAA)/45(AHM)/2024 filed by three companies, namely, Asian Granito India Ltd. (Resulting Company No.1), Adicon Ceramica Tiles Pvt. Ltd. (De-merged Company) and Adicon Ceramics Ltd. on 26.09.2024 under Sections 230-232 read with Section 366 Companies Act and Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 (hereinafter referred to as **"Companies (CAA) Rules, 2016"**). The proposed Scheme is appended as ***"Annexure-K"*** to the Company Application.

2. The Applicant Companies in this company application have sought for the following reliefs;

	EQUITY SHAREHOLDERS MEETING	PREFERENCE SHAREHOLDER MEETING	SECURED CREDITORS MEETING	UNSECURED CREDITORS MEETING
Resulting Company 1	Directions to convene meeting	N.A.	Directions to convene meeting	Directions to convene meeting
Demerged Company 1	Directions to convene meeting	N.A.	Directions to convene meeting	Directions to convene meeting

Resulting Company 2	Dispensation of meeting	N.A.	N.A.	N.A.

3. Affidavit dated 23.09.2024, in support of the company application, was sworn by Mr. Mehul Shah, the Authorized Signatory of all the applicant companies, duly authorized vide Board Resolution dated 12.08.2023 of applicant companies 1 and 3 as well as Board Resolution dated 19.10.2023 of applicant company no.2. The aforesaid affidavits and Board Resolutions ***(Annexure-I)*** are placed on record along with the company application.

4. The proposed Scheme provides for the demerger, transfer and vesting of the Adicon Tiles Manufacturing Undertaking from Adicon Ceramica Tiles Pvt. Ltd. (Demerged Company) to Adicon Ceramics Ltd. (Resulting Company No.2) on a going concern basis and the consequent issue of shares by Asian Grantio India Ltd. (Resulting Company No.1).

5. It is stated that the registered office of all the applicant companies are situated within the territorial jurisdiction of Registrar of Companies, Ahmedabad, Gujarat, which is falling under the jurisdiction of this Tribunal.

6. It is stated that the applicant companies are empowered by their respective Memorandum of Association and Articles of Association to enter into a Composite Scheme of Arrangement. Copies of Memorandum of Association and Articles of Association of all the applicant companies

annexed to the company application as ***Annexure-A, Annexure-C and Annexure-E***.

7. During the hearing on 24.04.2025, Ld. Counsel for the applicant companies prayed for filing further financials of the applicant companies up to 31.03.2025, since the financials of the applicant companies were filed up to 30.06.2024. The applicant companies filed additional affidavit dated 06.06.2025 on 09.06.2025, vide inward diary no. D 3596 wherein it stated as follows:-

i) The provisional financials and the list of creditors as on 30.06.2024 were placed on record along with the company application.

ii) The updated financials as on 31.03.2025 as well as the list of secured creditors and unsecured creditors of applicant companies 1 and 2 i.e. Asian Granito India Ltd./Resulting Company No.1 and Adicon Ceramica Tiles Pvt. Ltd./Demerged Company, as on 31.03.2025, are annexed to the additional affidavit as ***Annexure:A-1, Annexure:A-2, Annexure:B-1 and Annexure-B-2***.

iii) As on 31.03.2025, there are no secured creditors and unsecured creditors in applicant company no.3 /Adicon Ceramics Ltd./ Resulting Company No.2.

iv) It is submitted that the above referred details of the Unsecured Creditors have been based upon the financial statements prepared in compliance with the applicable

Accounting Standard being Indian Accounting Standard 116. Although the financial statements do reflect the lease liabilities of the Applicant Company, the same are not included in the above referred List of Unsecured Creditors as they include only Operational creditors payable as on 31.03.2025 and the same are accordingly certified by the Chartered Accountant. However, without prejudice to the contentions of the Applicants, the additional statements are now provided to give the details of the Lease liabilities of the Resulting Company-1, as shown in the books of accounts of the Resulting Company-1, separately and the same is duly certified by Chartered Accountant. The said statement is annexed as ***Annexure C-1*** to the additional affidavit. The Applicant Resulting Company-1 shall treat them as Unsecured Creditors for the purpose of convening and holding the meetings for the purpose of obtaining their approval to the proposed Scheme.

v) The Demerged Company viz. Adicon Ceramica Tiles Pvt. Ltd. and the Resulting Company-2 viz. Adicon Ceramics Ltd. have no lease liabilities as on 31.03.2025 and it is confirmed by Chartered Accountants/K.D. Shah & Co. through vide certificates dated 06.06.2025, which are annexed to the additional affidavit as ***Annexure: C-2 and Annexure:C-3***.

vi) It is submitted that an issue is also sought to be clarified by the present affidavit pertaining to the

proposed issue of shares by the Resulting Company No.1/ Asian Granito India Ltd., in its capacity as a parent company/holding company on behalf of its Wholly Owned Subsidiary viz. Adicon Ceramics Ltd. / Resulting Company No.2, to the shareholders of Adicon Ceramica Tiles Pvt. Ltd./Demerged Company.

8. Asian Granito India Ltd.
(Resulting Company No.1)

i) From the certificate of incorporation filed, it is evident that it is a listed public limited company incorporated under the provisions of the Companies Act, 1956, having its CIN: L17110GJ1995PLC027025 and its registered office is situated in the State of Gujarat. It was originally incorporated on 08.08.1995 as a private limited company under the name and style of Karnavati Fincap Pvt. Ltd. as per certificate of registration issued by the Registrar of Companies (RoC), Gujarat Dadra and Nagar Haveli. Subsequently, the company was converted into a public limited company and consequently its name was changed to Karnavati Fincap Ltd with effect from 29.08.1995. Its name was changed to Panchariya Textile Industries Ltd. with effect from 18.03.1999 and its name was again changed to Vasudev Textile Industries Ltd. with effect from 28.07.2000. Again the name of the company was changed to Asian Granito India Ltd. with effect from 25.11.2002. It is engaged in the business of manufacturing and trading of a wide range of tile products such as ceramic, wall and vitrified tiles, bath-

ware, sanitary-ware and marbles & quartz products and it currently owns five state-of-the-art manufacturing facilities and one wind mill in Gujarat.

(ii) The equity shares of Resulting Company No.1 are listed on BSE Ltd (BSE) and the National Stock Exchange of India Ltd. (NSE). The NSE and BSE by their respective observation letters, both dated **01.07.2024**, gave their no-objection/no adverse observation, in terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI LODR), to enable the Resulting Company No.1 to file the Scheme with this Tribunal. The copies of the aforesaid observation letters are annexed to the company application as ***Annexure:J-1 & Annexure:J-2,*** respectively.

(iii)The total income of Asian Granito India Ltd./Resulting Company No.1 for the Financial Year ended on 31.03.2024 was around Rs.1346.87 crores on standalone basis and around Rs.1543.01 crores on consolidated basis. The operative profit was around Rs. 40.51 crores on standalone basis and had loss of Rs.14.93 crores on consolidated basis. It has reserves of around Rs.1123.24 crores on standalone basis and Rs.1116.15 crores on consolidated basis. Copy of the audited financial statements as on 31.03.2024 is annexed to the company application as ***Annexure-B***.

(iv) The total income/revenue of Asian Granito India Ltd. for the Financial Year ended on 31.03.2025 is around Rs.1302.36 crores. The operative profit is around Rs.23.67 crores. Copy of the audited financial statements as on 31.03.2025 is annexed to the Additional Affidavit as ***Annexure:A-1***.

(v) The Share Capital as on 30.06.2023 and as on 31.03.2024 is as follows:-

Particulars	**INR**
Authorised Share Capital	
15,00,00,000 equity shares of INR 10 each	150,00,00,000
Total	**150,00,00,000**
Issued, Subscribed and Paid-up Capital	
12,67,45,316 equity shares of INR 10 each	126,74,53,160
Total	**126,74,53,160**

Subsequent to the above date, it has initiated the process to increase its Authorised Share Capital to Rs.320 crores by following the requisite procedure in compliance with the provisions of the Companies Act, 2013. The same is essential for the purpose of issue of the shares to the shareholders of the Demerged Company, upon the proposed Scheme being effective. However, there has been no change in the subscribed and paid up share capital of Resulting Company No.1

(vi) As on 30.06.2024, there are more than 80,000 Equity Shareholders holding 12,67,45,316 shares. The shareholding pattern as on 30.06.2024 of Asian Granito India Ltd., is placed on record as ***Annexure:N-1***.

(vii) As on 31.03.2025, there are **3** (Three) Secured Creditors and the total value of secured debt is Rs.1,35,07,91,471/-. Chartered Accountants K.D. Shah & Co. confirmed the name and value of secured creditors, vide certificate dated 05.06.2025, which is annexed at page 588 to the Additional Affidavit dated 06.06.2025, filed on 09.06.2025.

(viii) As on 31.03.2025, there are **942** (Nine Hundred Forty Two) Unsecured Creditors and the total value of unsecured debt is Rs.2,58,43,90,275/-. Chartered Accountants K.D. Shah & Co. confirmed the name and value of unsecured creditors, vide certificate dated 05.06.2025, which is annexed as ***Annexure:B-1*** to the Additional Affidavit dated 06.06.2025, filed on 09.06.2025.

(ix) As on 31.03.2025, there are **16** (Sixteen) Creditors towards lease and the total value of the lease liability is Rs.10,92,90,116/-. Chartered Accountants K.D. Shah & Co. confirmed the name and value of creditors towards lease liability, vide certificate dated 05.06.2025, which is annexed as ***Annexure:C-1*** to the Additional Affidavit dated 06.06.2025, filed on 09.06.2025.

9. Adicon Ceramica Tiles Pvt. Ltd.

(Demerged Company)

(i) From the certificate of incorporation filed, it is evident that it is a private limited company incorporated under the provisions Section 366 of the Companies Act, 2013, having its CIN: U23912GJ2023PTC145194, and its registered office is situated in the State of Gujarat. It was originally registered under the Limited Liability Partnership Act, 2008 with LLP, Identity No. AAW-9659 and was incorporated on 07.05.2021 as Adicon Ceramica LLP and its name was changed to Adicon Ceramica Tiles LLP by execution of Supplementary Agreement dated 26.07.2023 after which it was converted into a private limited company on 06.10.2023. It is engaged in the business of manufacturing of tiles under the brand name 'Adicon' and also on job work basis for Asian Granito India Ltd./Resulting Company No. 1 and trading activities. The total income for the Financial Year ended on 31.03.2024 was around Rs.91.46 crores and the operative profit was around Rs.6.10 crores. It has reserves of around Rs.76.83 crores. Copy of the audited financial statements as on 31.03.2024 (***Annexure-D)*** and copy of statement with details of assets and liabilities as on 31.03.2024 (***Annexure:D-1)*** *are* annexed to the company application.

(ii) The total income of Adicon Ceramica Tiles Pvt. Ltd. ended on 31.03.2025 is around Rs.193.32 crores. Copy of the

audited financial statements as on 31.03.2025 is annexed to the Additional Affidavit dated 06.06.2025 as ***Annexure:A-2***.

(iii) The Share Capital as on 31.03.2024 is as follows:-

Particulars	**INR**
Authorised Share Capital	
6,70,000 equity shares of INR 10 each	67,00,000
Total	**67,00,000**
Issued, Subscribed and Paid-up Capital	
6,70,000 equity shares of INR 10 each	67,00,000
Total	**67,00,000**

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of Demerged Company till the date of approval of the Scheme by the Board of it.

(iv) None of the companies involved in the Scheme hold any shares in the Demerged Company. The equity shares of the Demerged Company are not listed on Stock Exchanges or on any other stock exchanges in India or elsewhere.

(v) As on 30.06.2024, there are **35** (Thirty five) Equity Shareholders, holding 6,70,000 shares, in the Demerged Company. The certificate dated 19.09.2024 issued by the Chartered Accountants K. D. Shah & Co. confirmed the name of the equity shareholders, number of shares held and value of shares, which is annexed to the company application as ***Annexure:O-1***.

(vi) As on 31.03.2025, there is **1** (One) Secured Creditor in Demerged Company and the value of secured debt is Rs.77,47,84,029/-. Chartered Accountants K.D. Shah & Co. confirmed the name and value of secured creditors, vide certificate dated 04.06.2025, which is annexed at page 598 to the Additional Affidavit dated 06.06.2025, filed on 09.06.2025.

(vii) As on 31.03.2025, there are **292** (Two Hundred Ninety Two) Unsecured Creditors and the total value of unsecured debt is Rs.38,75,36,568/-. Chartered Accountants K.D. Shah & Co. confirmed the name and value of unsecured creditors, vide certificate dated 04.06.2025, which is annexed as ***Annexure:B-2*** to the Additional Affidavit dated 06.06.2025, filed on 09.06.2025.

(viii) Chartered Accountant K.D. Shah & Co. certified, vide certificate dated 06.06.2025, that there are no Lease Liability appearing in the books of account of Adicon Ceramic Tiles Pvt. Ltd./Demerged Company as on 31.03.2025.

10. <u>Adicon Ceramcis Ltd.</u>
(Resulting Company No.2)

(i) From the certificate of incorporation filed, it is evident that it is an unlisted public limited company incorporated on 24.03.2023 under the provisions of the

Companies Act, 2013 and its CIN is U23912GJ2023PLC139539. Its registered office is situated in the State of Gujarat. It was incorporated with the object of manufacturing refractory bricks, blocks tiles and similar refractory ceramic constructional goods.

(ii) Adicon Ceramics Ltd./Resulting Company No.2 is a wholly owned subsidiary of Asian Granito India Ltd./Resulting Company No.1. It is recently incorporated and is yet to commence business upon scheme being effective. Copy of the audited financial statements as on 31.03.2024 is annexed to the company application as ***Annexure-F***.

(iii) The Share Capital as on as on 31.03.2024 is as follows:-

Particulars	**INR**
Authorised Share Capital	
10,000 equity shares of INR 10 each	1,00,000
Total	**1,00,000**
Issued, Subscribed and Paid-up Capital	
10,000 equity shares of INR 10 each	1,00,000
Total	**1,00,000**

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of Resulting Company No.2 till the date of approval of the Scheme by the Board of it.

(iv) The equity shares of Resulting Company No.2 are not listed on Stock Exchanges or on any other stock exchanges in India or elsewhere.

(v) As on 30.06.2024, there are **7** (Seven) Equity Shareholders, holding 10,000 shares, and all the Equity Shareholders have given their consent on affidavits ***(Annexure:P-1)*** approving the proposed Scheme. The Chartered Accountants/Das Pattnaik & Co. vide certificate (***Annexure:P-2)*** dated 14.09.2024, confirmed the list of the Equity Shareholders.

(vi) As on 30.06.2024, there are **no** Secured Creditors and Unsecured Creditors in Adicon Ceramics Ltd./Resulting Company No.2. The certificates dated 14.09.2024 of the Chartered Accountants/Das Pattnaik & Co., confirmed that there are no Secured Creditors and Unsecured Creditors in Adicon Ceramics Ltd./Resulting Company No.2, are placed on record as ***Annexure:P-3 and Annexure:P-4***, respectively.

(vii) In the Additional Affidavit dated 06.06.2025, it is submitted that there are **no** Secured Creditors and Unsecured Creditors in Adicon Ceramics Ltd./Resulting Company No.2 as on 31.03.2025.

(viii) Chartered Accountants/K.D. Shah & Co. ,vide certificate dated 06.06.2025 confirmed that there are no Lease Liability appearing in the books of account of Adicon

Ceramics Ltd./Resulting Company No.2 as on 31.03.2025.

11. RATIONALE OF THE SCHEME:

Asian Granito India Ltd. (AGIL), the Resulting Company 1 is a listed public limited company. Over the course of time, it has grown into a diversified conglomerate with interests in various businesses spanning the entire value chain of tiles, bathware, marbles & quartz and other related products carried on either directly or through its subsidiaries.

AGIL, the Resulting Company 1 has identified few of its suppliers, i.e., Adicon Ceramica Tiles Pvt. Ltd. (ACTPL), the Demerged Company, that manufacture tiles for AGIL, the Resulting Company 1 on job work basis as well as manufactures tiles under their own brand names. The supplier is in effect selling majority of their own production to AGIL, the Resulting Company 1. In order to integrate its manufacturing process and to inorganically expand its production lines, it is desirable to take over the tiles manufacturing businesses of the supplier. Since the supplier has separate brands, names and related Intellectual Property such as brands, trademarks, registrations, etc. attached to these names, it is considered appropriate to demerge this business in wholly owned subsidiary of AGIL, the Resulting Company 1 of similar name. To avoid effect on the financials due to payment of huge consideration in cash or by way of debt, the consideration is proposed to be paid

by way of issue of shares which will be compliant with the definition of 'demerger' as defined under section 2(19AA) r.w.s. 2(41A) of the Income Tax Act, 1961

Through the aforesaid demerger the Adicon Tiles Manufacturing Undertaking from ACTPL, the Demerged Company, the stakeholders of ACTPL, the Demerged Company will get access to a diverse business structure since AGIL, the Resulting Company 1 has presence in multiple industries leading to risk diversification in the hands of the stakeholders and also leading to stable valuation by the market. The stakeholders will also get safeguarded from the day-to-day hurdles specific to the tiles manufacturing business by diversifying their risk.

Further, the business of ACTPL, the Demerged Company will get an access to the huge market reach and marketing network of AGIL, the Resulting Company 1. This business will thus gain a chance of evolving into legacy businesses under the professional management of AGIL, the Resulting Company 1 due to their increased technical knowhow, diverse expertise and growth vision. The expansion opportunity from the access to infrastructure of AGIL, the Resulting Company 1 seems unparalleled.

Multiple entries of large organised players into the tiles industry are expected to drive the entire industry into a highly efficient space where large players would command premium on account of their competitive edge and managing

a tiles manufacturing business as an unorganised player may become more and more challenging. Consolidation of the tiles manufacturing businesses under the banner of AGIL, the Resulting Company 1 would not only safeguard the businesses but also provide an edge to competitively grow in the ever-changing business dynamic.

The opportunity of growth in the businesses and risk diversification for the stakeholders of ACTPL, the Demerged Company and the inorganic expansion and synergistic opportunity for AGIL, the Resulting Company 1 due to better agility and higher control over its manufacturing process, more production lines and working capital requirements would provide both ACTPL, the Demerged Company and AGIL, the Resulting Company 1 with the me respective advantages while making the combined businesses of AGIL, the Resulting Company 1 and ACTPL, the Demerged Company more sustainable arid competitive in the long run.

The proposed restructuring pursuant to this Scheme is expected, inter alia, to result in following benefits:

i) combining and bundling of Adicon Tiles Manufacturing Undertaking of ACTPL, the Demerged Company into ACL, the Resulting Company 2 which is, inter alia, wholly owned subsidiary of AGIL, the Resulting Company 1

ii) better control on utilisation of production capacity due to integration of the manufacturing process;

iii) Optimization of working capital due to consolidation of businesses;

iv) inorganic expansion of production lines and opportunity for further organic expansion due to increased fungibility of the existing funds;

v) economies of scale due to synergistic effect of the combination of the businesses related to similar business line of manufacturing of tiles;

xi) achieve cost optimization and specialisation for sustained growth; and

xii) enhancing operational efficiencies, ensuring synergies through pooling of the financial, managerial, and technical resources, personnel capabilities, skills, expertise and technologies by bundling the businesses pertaining to different industries.

The proposed restructuring is in the interest of the shareholders, creditors, employees and other stakeholders in each of the companies.

12. The valuation reports ***(Annexure-G1&G2)*** of Mr. Gaurav Maheshwari, Registered Valuer, Registration No.IBBI/RV/ 11/ 2021 /14432 and Fairness Opinion for the same has been obtained from M/s. Holani Consultants Private Limited, SEBI Registered Category I Merchant Banker (Reg. No. INM000012467), annexed as ***Annexure:G-3***.

13. It is submitted that the Audit Committee of Asian Granito India Ltd./Resulting Company No. 1, during its meeting held on 12.08.2023, considered the Valuation Reports, Exchange Ratio Recommendations as well as Fairness Opinion and draft of the proposed Scheme. The report of the Audit Committee of Resulting Company No.1, is annexed to the application as ***Annexure:H***.

14. Consideration

Upon the Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, AGIL (the Resulting Company 1) shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis:

To each shareholder of Adicon Ceramica Tiles Pvt. Ltd. / Demerged Company, **1060** (One Thousand Sixty) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of Asian Granito India Ltd./Resulting Company No.1 for every **11** (Eleven) equity shares of INR 10 (Indian Rupees Ten) each in Adicon Ceramica Tiles Pvt. Ltd. / Demerged Company held by such shareholder whose name is recorded in the register of members and records of the depository as members of Adicon Ceramica Tiles Pvt. Ltd. / Demerged Company as on the Record Date.

No shares shall be issued by Asian Granito India Ltd./Resulting Company No.1 in respect of shares held by Asian Granito India Ltd./Resulting Company No.1 or any of its subsidiaries in Adicon Ceramica Tiles Pvt. Ltd. / Demerged Company.

15. The Board of Directors of the applicant companies have approved the Composite Scheme of Arrangement at their Board Meetings. Copies of the Board Resolutions of all the applicant companies are placed on record as ***Annexure-I***.

The Appointed Date as specified in the Scheme is 16.10.2023. This company application is filed on 26.09.2024, vide Inward Diary No. E224747. The applicant companies submitted that the Appointed Date is decided upon for the reason that one of the companies i.e. Demerged Company, in the proposed Scheme came into existence on 06.10.2023 by conversion under Section 366 from their previous status of being LLP. The said date has been considered and accepted by the concerned Stock Exchanges while granting their Observation Letters and the said date is not against the public interest.

16. It is submitted that the Applicant Company No.1/Resulting Company No.1, being a listed public limited company, in compliance with the applicable SEBI Circulars, the proposed Scheme along with all requisite information and documents was presented to the concerned Stock Exchanges, i.e. National Stock Exchange of India and BSE Limited, for obtaining necessary approval from the securities and Exchange Board of India (SEBI) through the stock exchanges. The observation letters of BSE Limited and NSE dated 01.07.2024, are placed on record as **Annexure:J-1 & J-2,** respectively.

17. The Applicant Companies have submitted that the Statutory Auditors have certified that the Accounting Treatment proposed in terms of clauses 11.1 to 11.3 of the Scheme reflecting Accounting Treatment respectively in the books of the applicant companies are in conformity with

the applicable Accounting Standards. The certificates issued by the Statutory Auditors of the Applicant Companies are placed on record are annexed as ***Annexure-L*** to the application.

18. It is stated that there are no proceedings/investigation pending against any of the applicant companies under Sections 210-217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013 and/or Sections 235 to 251 of the Companies Act, 1956 and the like.

19. Further, there are no proceedings under the Insolvency and Bankruptcy Code pending against the any of the applicant companies.

20. It is submitted that the Competition Commission of India regulations are not applicable to the applicant companies in terms of the total values of assets and/or turnover of the applicant companies.

21. It is submitted that the applicant company no.1/Asian Granito India Ltd., being a listed public limited company, it is governed by the Master Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/93 dated 20.06.2023. The applicant company no.1 shall be required to undertake the procedure of remote e-voting as well as e-voting at the time of meeting, for seeking approval from the Public Shareholders. Hence, necessary directions may be given to the effect that the result of voting by Public shareholders shall be

separately reported. The meetings of the secured creditors, unsecured creditors and creditors towards lease liability of of applicant company no.1 may be directed to be convened physically at a convenient place in Ahmedabad. It is further submitted that meetings of equity shareholders, secured creditors and unsecured creditors of applicant company no.2 may be directed to be convened physically at a convenient place in Ahmedabad.

22. We have heard Ld. Counsel for the Applicant Companies and perused the record.

23. Taking into consideration, the company application filed by the applicant companies and the documents filed therewith including Additional Affidavit dated 06.06.2025 filed on 09.06.2025, Observation Letters dated 01.07.2024 of BSE and NSE as well as the position of law, this Tribunal issue the following directions to meet the ends of justice: -

A. In relation to Asian Granito India Ltd./Resulting Company No.1/

(i) **With respect to Equity Shareholders:**

Since it is represented by the Resulting Company No.1that there are more than **80,000** Equity shareholders and prayed to convene the meeting through Video Conferencing or other Audio Visual Modes. Therefore, meeting of Equity Shareholders shall be convened and held on **19.09.2025 at**

10:30 A.M. at the registered office of the Resulting Company No.1 or through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM), for the purpose of considering and, if thought fit, approving with or without modification(s) the arrangement embodied in the Scheme.

(ii) **With respect to Secured Creditors:**

Since it is represented by the Resulting Company No.1that there are **3** (three) Secured Creditors and prayed to convene and hold the meeting physically at a convenient place in Ahmedabad. Therefore, meeting of Secured Creditors shall be convened and held on **18.09.2025 at 10.30 A.M. at Asian Granito India Limited, 202, Dev Arc, Opposite Iskon Temple, S.G. Highway, S A C, Ahmedabad-380 015, Gujarat** or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of conceding and if though fit, approving with or without modification(s), the proposed Scheme.

(iii) **With respect to Unsecured Creditors:**

Since it is represented by the Resulting Company No.1 that there are **942 (seven hundred seventy one)** Unsecured Creditors and prayed to convene and hold the meeting physically at a convenient place in Ahmedabad. Therefore, meeting of Unsecured Creditors shall be convened and held on **18.09.2025 at 11.30 A.M. at Ahmedabad**

Management Association, Vikram Sarabhai Marg, Ahmedabad-380 015, Gujarat or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of conceding and if though fit, approving with or without modification(s), the proposed Scheme.

(iv) **With respect to Creditors towards lease liability:**

Since it is represented by the Resulting Company No.1 that there are **16 (sixteen)** Creditors towards lease liability and prayed to convene and hold the meeting physically at a convenient place in Ahmedabad. Therefore, meeting of Creditors towards lease liability shall be convened and held on **18.09.2025 at 2:00 P.M. at Ahmedabad Management Association, Vikram Sarabhai Marg, Ahmedabad-380 015, Gujarat** or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of conceding and if though fit, approving with or without modification(s), the proposed Scheme.

B. In relation to Adicon Ceramica Tiles Pvt. Ltd./Demerged Company

(i) **With respect to the Equity Shareholders**

Since it is represented by the Demerged Company that there are **35** (thirty five) Equity Shareholders and prayed to convene the meeting physically at a convenient place in Ahmedabad. Therefore, meeting of Equity Shareholders shall be convened and held on **19.09.2025 at 12.30 P.M. at Ahmedabad Management Association, Vikram Sarabhai Marg, Ahmedabad-380 015, Gujarat** or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of conceding and if though fit, approving with or without modification(s), the proposed Scheme.

(ii) **With respect to Secured Creditors**:

Since it is represented by the Demerged Company that there are **1 (one)** Secured Creditor and prayed to convene and hold the meeting physically at a convenient place at Ahmedabad. Therefore, meeting of Secured Creditor of the Demerged Company shall be convened and held on **18.09.2025 at 3.00 P.M. at Asian Granito India Limited, 202, Dev Arc, Opposite Iskon Temple, S.G. Highway, S A C, Ahmedabad-380 015, Gujarat** or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of conceding and if though fit, approving with or without modification(s), the proposed Scheme.

(iii) **With respect to Unsecured Creditors:**

Since it is represented by the Demerged Company that there are **324** (three hundred twenty four) Unsecured Creditors and prayed to convene and hold the meeting physically at a convenient place at Ahmedabad. Therefore, meeting of Unsecured Creditors of the Demerged Company shall be convened and held on **18.09.2025 at 3.30 P.M. at Ahmedabad Management Association, Vikram Sarabhai Marg, Ahmedabad-380 015, Gujarat** or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices, for the purpose of conceding and if though fit, approving with or without modification(s), the proposed Scheme.

(iv) **With respect to Creditors towards lease liability:**

Since it is represented by the Demerged Company that there are no Creditors towards lease liability in the company, the necessity of convening and holding a meeting does not arise.

C. In relation to Adicon Ceramics Ltd./Resulting Company No.2

(i) **With respect to the Equity Shareholders**

Since it is represented by the Resulting Company No.2 that there are **7** (seven) Equity shareholders in the Company whose consents by way of Affidavits have been obtained

from all the equity shareholders and are placed on record, the necessity of convening, holding and conducting the meeting is ***dispensed with***.

(ii) **With respect to Secured Creditors**:

Since it is represented by the Resulting Company No.2 that there are no Secured Creditors in the company, the necessity of convening and holding a meeting does not arise.

(iii) **With respect to Unsecured Creditors:**

Since it is represented by the Resulting Company No.2 that there are no Unsecured Creditors in the company, the necessity of convening and holding a meeting does not arise.

(iv) **With respect to Creditors towards lease liability:**

Since it is represented by the Resulting Company No.2 that there are no Creditors towards lease liability in the company, the necessity of convening and holding a meeting does not arise.

24. The Chairperson appointed for the above-mentioned meetings shall be Mr. S.B. Gautam, Ex-Member NCLT, Mobile No.98719-98639 and E-mail id: sbgautam04@gmail.com. The remuneration of the Chairperson for the aforesaid meetings shall be Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) for the services, excluding applicable taxes, out-of-pocket expenses, travelling expenses etc., also to be borne by the

Applicant Companies. The chairperson will file the reports of the meetings within a week from the date of holding the above-mentioned meetings.

25. Ms. Neha Lakhanpal, (Mob: 78377-12334, Email id: advnehalakhanpal@gmail.com) is appointed as a Scrutinizer and would be entitled to a remuneration of Rs.75,000/- (Rupees Seventy-Five Thousand only) for the services excluding applicable taxes, out-of-pocket expenses, travelling expenses etc., also to be borne by the Applicant Companies.

26. The Quorum of the aforesaid meetings of the equity shareholders, secured creditors and unsecured creditors of the applicant companies 1 and 2 and creditors towards lease liability of applicant company no.1 shall be as per the Companies (CAA) Rules, 2016 and in compliance of Section 103 as well as Section 230(6) of the Companies Act, 2013. The meetings shall be conducted as per applicable provisions of law and rules thereunder.

27. In respect of the meeting of shareholders and determination of the results of voting in case of Applicant Company 1, the provisions of Companies Act, 2013 and SEBI Circulars should be strictly followed, particularly concerning voting by the majority of the public shareholders.

28. In case the quorum as noted above, for the above meetings, is not present at the meetings, then the meetings shall be adjourned by half an hour, and thereafter the person(s) present after adjournment shall be deemed to constitute the quorum. For the purpose of computing the quorum, the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meetings, is filed with the registered office of the applicant companies 1 and 2 at least 48 hours before the meetings. The Chairperson appointed herein, along with the Scrutinizer, shall ensure that the proxy registers are properly maintained. However, every endeavour should be made by the applicant companies 1 and 2 to attain at least the quorum fixed, if not more in relation to approval of the Scheme.

29. At least 1 (one) month before the aforesaid meetings, an advertisement about convening of the said meetings, indicating the day, the date and time, shall be published in ***"Economic Times " (National Edition)***, in **English** as well as in ***"Jai Hind"*** in **Vernacular language,** to cover the

jurisdiction where the equity shareholders, secured creditors and unsecured creditors of the applicant companies 1 and 2 as well as creditors towards lease liability of applicant company no.1 are located. The publication shall indicate time within which the copies of the Scheme shall be made available to the concerned persons free of charge from the registered office of the applicant companies 1 and 2. The publication shall also indicate that the statement required to be furnished pursuant to Section 102 of the Act read with Sections 230-232 of the Act can be obtained free of charge at the registered office of the applicant companies 1 and 2.

30. In addition, at least 1 (one) month before date of the aforesaid meetings, notice of convening the said meetings, indicating the day, the date and the time aforesaid, instructions with regard to the aforesaid meetings, together with a copy of the Scheme, a copy of the Explanatory Statement required to be furnished pursuant to Section 102 of the Act read with the provisions of Sections 230-232 of the Act and the provisions of the Rules thereunder, shall be sent to the equity shareholders, secured creditors and

unsecured creditors of the applicant companies 1 and 2 at their registered post or last known addresses ether by Registered Post/Speed Post/ Airmail / or E-mail or by Courier or by Hand Delivery. The notice shall be sent to those equity shareholders, secured creditors and unsecured creditors of the applicant companies 1and 2 and creditors towards lease liability of applicant company no.1 as on 31.03.2025.

31. The number and value of the shares of the equity shareholders, the number and value of the debt of Secured Creditors and Unsecured Creditors of the applicant companies 1 and 2 the number and value of the debt of creditors towards lease liability of applicant company no.1 shall be in accordance with the records or registers of the applicant companies 1 and 2 where the entries in the records or registers are disputed, the Chairman of the meetings shall determine the number or value, as the case may be, for purposes of the meetings and his decision in that behalf shall be final;

32. Chairman to file an affidavit not less than seven (7) days before the date fixed for the holding of the meetings and do report to this Tribunal that the directions regarding the issue of notices and the advertisement of the meetings, have been duly complied with as per Rule 12 of the Rules.

33. It is further ordered that the Chairman shall report to this Tribunal on the result of the said meetings in Form No. CAA.4, verified by his affidavit as per Rule 14 of the Rules in Form No. CAA.4 within 7 (seven) days after the conclusion of the meetings. The report of Chairman shall be filed before this Tribunal by the Chairman himself.

34. In compliance with sub-section (5) of Section 230 of the Act and Rule 8 of the Companies (CAA) Rules, 2016, the Applicant companies shall individually send notice to the concerned **(i)** the Regional Director, MCA, E-mail ID: rd.northwest@mca.gov.in **(ii)** Registrar of Companies Ahmedabad, E-mail ID: roc.ahmedabad@mca.gov.in; **(iii)** Reserve Bank of India **(iv)** concerned Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited **(v)** Securities and Exchange Board of India (for Resulting Company No.1), **(vi)** to the concerned Income Tax Department, E-mail: ahmedabad.pccit@incometax.gov.in along with full details of assessing officer and PAN numbers

of the Applicant Companies with copy also to the Principal Chief Commissioner of Income Tax Office,as well as **other Sectorial regulators** if applicable, who may have significant bearing on the operation of the applicant companies or the Scheme *per se* along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016.The aforesaid authorities, who desire to make any representation under sub-section (5) of Section 230 of the Act, shall send the same to this Tribunal with a copy of the same to be supplied to the Applicant Companies.

35. The applicant companies are required to serve notice pursuant to Section 230(5) of the Companies Act, 2013 to the regulatory authorities which are likely to be affected.

36. The applicant companies 1 and 2 shall further furnish a copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by equity shareholders, every creditor or member of the applicant companies entitled to attend the meetings as aforesaid.

37. The Authorized Representative of the applicant companies shall furnish an affidavit of service of notice of meetings and publication of advertisement(s) and compliance of all directions contained herein at least a week before the proposed meetings.

38. All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicant Companies.

39. Applicant Company No.1/Resulting Company No.1 is directed to file compliance affidavit, in respect of the Letters dated 01.07.2024 of BSE and NSE.

40. The Applicant Company No.1/Resulting Company No.1 shall ensure that the Equity Shareholders (including overseas, if any) who have not received notice of meeting or physical copy, can access/download the said notice from its website. The said notice will mention the procedure to register and vote on the resolutions proposed.

41. The Scheme provides for an appointed date of 16.10.2023. The Application was filed on 26.09.2024. The appointed date is significantly prior to the date of filing. The Applicant companies are asked to clarify whether the appointed date is event-specific and whether it is not against public interest. Further, whether there would be any legal, regulatory, or procedural issues if the appointed date is considered in the current financial year.

42. The Registry and the Applicant Companies are directed to communicate a copy of this order to the Chairperson and

Scrutinizer, within three working days after the pronouncement of the order.

43. The Company Application being **CA(CAA)/45(AHM)2024** stands **allowed** on the aforesaid terms.

Sd/-

SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

GS

Prepared by Bhavik

Signature

Date 20/06/25

Certified to be True Copy of the Original
20/06/25
Deputy Registrar
NCLT, Ahmedabad Bench
Ahmedabad