

**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF ASIAN GRANITO INDIA LIMITED RECOMMENDING THE DRAFT OF COMPOSITE SCHEME OF ARRANGEMENT AMONGST ASIAN GRANITO INDIA LIMITED AND ADICON CERAMICA TILES PRIVATE LIMITED AND ADICON CERAMICS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (HERE-IN-AFTER REFERRED AS "SCHEME")**

---

**The Following Independent Directors were present:**

1. Mr.Kandarp G Trivedi
2. Mr.Mukesh M Shah
3. Mr.Hemendrakumar Chamanlal Shah
4. Mr.Maganlal Joitabhai Prajapati
5. Ms.Indira Nityanandam

The Committee of Independent Directors unanimously elected Mr. Kandarp Trivedi as the Chairman of the meeting. Thereafter, Mr. Kandarp Trivedi took the chair and presided over the meeting.

**1. Background**

- a) A Meeting of the Committee of Independent Directors of Asian Granito India Limited ("the Company") was held on 12.08.2023 to consider and recommend the draft Scheme of Arrangement between Asian Granito India Limited and Adicon Ceramica Tiles Private Limited and Adicon Ceramics Limited and their respective Shareholders and Creditors (here-in-after referred as "Scheme")
- b) The Company is a listed public limited company incorporated under the provisions of the Companies Act, 1956. The equity shares of the Company are listed on BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE")
- c) This report of Committee of Independent Directors is made in order to comply with the requirements of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations,2015 ("Listing Regulations") and SEBI Master Circular number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20,2023 ('SEBI Master

Regd. & Corp. Office:  
202, Dev Arc, Opp. Iskcon Temple,  
S. G. Highway, Ahmedabad - 380 015  
Gujarat (INDIA)

Tel : +91 79 66125500/698  
E : info@aglasiangranito.com  
W : www.aglasiangranito.com  
CIN : L17110GJ1995PLC027025



## 2. Salient Features of the Scheme

- a) The Appointed Date of the Scheme would be 16<sup>th</sup> October, 2023 or such other date as may be directed or approved by the NCLT or any other appropriate authority.
- b) Following undertakings to be demerged and transferred in following manner:
  - Adicon Tiles Manufacturing Undertaking of Adicon Ceramica Tiles Private Limited to be demerged into Adicon Ceramics Limited (a wholly owned subsidiary of Asian Granito India Limited)

Upon the Scheme becoming effective, equity shares of Asian Granito India Limited will be allotted in lieu or exchange of the demergers.

## 3. Rationale of the Scheme

- a) combining and bundling of Adicon Tiles Manufacturing Undertaking of Demerged Company into Adicon Ceramics Limited which is, inter alia, wholly owned subsidiary of the Asian Granito India Limited ;
- b) better control on utilisation of production capacity due to integration of the manufacturing process;
- c) optimisation of working capital due to consolidation of businesses;
- d) inorganic expansion of production lines and opportunity for further organic expansion due to increased fungibility of the existing funds;
- e) economies of scale due to synergistic effect of the combination of the businesses related to similar business line of manufacturing of tiles;
- f) achieve cost optimization and specialisation for sustained growth; and
- g) 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

## 4. Documents placed before the Committee of Independent Directors

- a) Draft Scheme, duly initiated by the Company Secretary of the Company for the purpose of identification;

- b) Independent Valuation Report dated 12.08.2023 ("Valuation Report") issued

Regd. & Corp. Office:

202, Dev Arc, Opp. Iskcon Temple,  
S. G. Highway, Ahmedabad  
Gujarat (INDIA)

Tel : +91 79 66125500/698

E : info@aglasiangranito.com

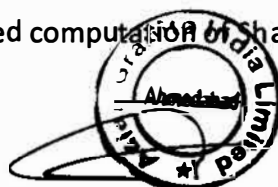
W : www.aglasiangranito.com

CIN : L17110GJ1995PLC027025

by Mr. Gaurav Maheshwari (IBBI Reg. No: IBBI/RV/11/2021/14432)

describing, inter alia, the methodologies adopted by them in arriving at the recommended Share Entitlement Ratio and Share Exchange Ratio and

out the detailed computation of Share Entitlement Ratio for the proposed



- c) Composite Scheme of Arrangement and the Share Exchange Ratio for the proposed d Composite Scheme of Arrangement;
- d) Fairness opinion dated 12.08.2023 ("Fairness Opinion") issued by Holani Consultants Private Limited, a SEBI registered Category-I Merchant Banker (**Reg No. INM000012467**) providing its opinion on the fairness of the Share Entitlement Ratio and the Share Exchange Ratio, as recommended in the Valuation Report;
- e) Auditor's Certificate dated 21<sup>st</sup> August, 2023 issued by R.R.S & Associates (FRN :118336W), the statutory auditors of the Company, as required under Section 232(3) of the Companies Act certifying that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act; and
- f) Other presentations, reports, documents and information made to/ furnished before the Committee of Independent Directors pertaining to the draft Scheme

## 5. Scheme not detrimental to the shareholders of the Company

- a) The members of the Committee of Independent Directors discussed and deliberated upon the rationale and salient features of the Scheme.
- b) The Company will issue consideration in the manner as set out in paragraphs 2.a above i.e. equity shares of the company. The Number of shares issued will be based on the Valuation as per Valuation Report, Fairness Opinion and Share Swap Ratio. The shares issued shall rant pari pasu in all respects with the then existing shares of the Company.
- c) Due to business coming into the Company, there are a scope for increase in valuation of the existing shareholders
- d) Accordingly, there will be no detrimental impact on the shareholders of the Company due to the proposed Scheme.
- e) Thus, on the basis of the above, the Scheme is not detrimental to the shareholders of the Company

Regd. & Corp. Office:  
202, Dev Arc, Opp. Iskcon Temple,  
S. G. Highway, Ahmedabad - 380 015  
Gujarat (INDIA)

Tel : +91 79 66125500/698  
E : info@aglasiangranito.com  
W : www.aglasiangranito.com  
CIN : L17110GJ1995PLC027025



## 6. Recommendation of the Committee of Independent Director

- a) The Committee of Independent Directors after due deliberations and due consideration of all the terms of the draft Scheme, the above rationale, the Valuation Report, Fairness Opinion and the specific points mentioned above including that the Scheme is not detrimental to the shareholders of the Company, recommends the draft Scheme for favourable consideration and approval by the Board of Directors of the Company subject to final approval to be obtained from various authorities such as Stock Exchanges, SEBI and NCLT etc.

**By Order of the Committee of Independent Directors**

**For Asian Granito India Limited**



**(Mr. Kandarp Trivedi)**

Regd. & Corp. Office:  
202, Dev Arc, Opp. Iskon Temple,  
S. G. Highway, Ahmedabad - 380 015  
Gujarat (INDIA)

Tel : +91 79 66125500/698  
E : info@aglasiangranito.com  
W : www.aglasiangranito.com  
CIN : L17110GJ1995PLC027025

**TILES | MARBLE | QUARTZ | BATHWARE**



**Asian Granito India Ltd.**