

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

ITEM No.302

C.P.(CAA)/3(AHM)2025 In C.A.(CAA)/41(AHM)2024

Proceedings under Section 230-232

IN THE MATTER OF:

Asian Granito India Limited
Affil Vitrified Pvt. Ltd
Ivanta Ceramics Industries Pvt. Ltd
Crystal Ceramic Industries Limited
Affil Ceramic Limited
Ivanta Ceramic Limited
Crystal Vitrified Limited
Amazone Ceramics Limited
AGL Industries

.....Applicant

Order delivered on: 12/06/2025

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.

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SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

-sd-

SHAMMI KHAN
MEMBER (JUDICIAL)



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

CP(CAA)/3(AHM)2025

in

CA(CAA)/41(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

..... Petitioner Company No.1/
(Resulting Company No.1 and
Demerged Company No.4)

Affil Vitrified Pvt. Ltd.

CIN: U26933GJ2010PTC062183

A company incorporated under the Companies Act, 1956 and having its registered office at S. No. 32/1, Kandla Road, Opp. Timbdi Patia, Tal. Morbi, Pipli-363 642, Gujarat

..... Petitioner Company No.2/
(Demerged Company No.1)

**Ivanta Ceramics Industries Pvt.
Ltd.**

CIN: U23912GJ2023PTC145244

A company incorporated under the Companies Act, 2013 and

having its registered office at S.
No. 32/3 P2, 32/3 P3, 32/3 P4,
Opp. Timbdi Patiya, Kandala Road, at Pipali, Morbi-363 642,
Gujarat Petitioner Company No.3/
(Demerged Company No.2)

Crystal Ceramic Industries Ltd.
CIN: U26933GJ2008PLC052576
A company incorporated under
the Companies Act, 1956 and
having its registered office at F.F.
101, 102, Elanza Vertex, Nr.
Zainobiya, Sindhu Bhavan Road,
Bodakdev, Ahmedabad-380 059,
Gujarat Petitioner Company No.4/
(Demerged Company No.3)

Affil Ceramics Ltd.
CIN: U23912GJ2023PLC139497
A company incorporated under
the Companies Act, 1956 and
having its registered office at 202,
Dev Arc, Opp. Iskon Temple, S.G.
Highway, S A C , Ahmedabad-380
015, Gujarat Petitioner Company No.5/
(Resulting Company No.2)

Ivanta Ceramic Ltd.
CIN:U23912GJ2023PLC139500
A company incorporated under
the Companies Act, 2013 and
having its registered office at 202,
Dev Arc, Opp. Iskon Temple, S.G.
Highway, S A C , Ahmedabad-380
015, Gujarat Petitioner Company No.6/
(Resulting Company No.3)

Crystal Vitrified Ltd.
CIN: U23912GJ2023PLC139499
A company incorporated under
the Companies Act, 2013 and
having its registered office at 202,
Dev Arc, Opp. Iskon Temple, S.G.
Highway, S A C , Ahmedabad-380
015, Gujarat Petitioner Company No.7/
(Resulting Company No.4)



Amazoone Ceramics Ltd.

CIN:U26933GJ2003PLC042959

A company incorporated under the Companies Act, 1956 and having its registered office at Block No. 83 (old Block No. 450), At; Dalpur Taluka, Prantij, District: Sabarkantha-383 120, Gujarat

..... Petitioner Company No.8/
(Resulting Company No.5
& Transferee Company)

AGL Industries Ltd.

CIN: U24220GJ2013PLC074983

A company incorporated under the Companies Act, 1956 and having its registered office at 202, Dev Arc, Opp. Iskon Temple, S.G. Highway, S A C , Ahmedabad-380 015, Gujarat

..... Petitioner Company No.9/
(Transferor Company)

Order Pronounced on 12.06.2025

CORAM:

MR. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

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

APPEARANCE:

For the Applicants	:	Mr. Saurabh Soparkar, Sr. Advocate a.w. Ms. Swati Soparkar, Advocate
For the Regional Director	:	Mr. Shiv Pal Singh, Deputy Director
For the Official Liquidator	:	Mr. Sandeep Tupe, Technical Assistant
For the Income Tax Department	:	Ms. Kinjal Vyas, Proxy Advocate for Ms. Maithili D. Mehta, Advocate.





ORDER
Per Bench

1. This joint Company Petition viz., CP(CAA)/3(AHM)/2025 in CA(CAA) 41 (AHM) 2024, is filed on 30.12.2024 by Asian Granito India Ltd.(Resulting Company No.1 & Demerged Company No.4), Affil Vitrified Pvt. Ltd. (Demerged Company No.1), Ivanta Ceramics Industries Pvt. Ltd. (Demerged Company No.2), Crystal Ceramic Industries Ltd. (Demerged Company No.3), Affil Ceramics Ltd.(Resulting Company No.2), Ivanta Ceramic Ltd. (Resulting Company No.3), Crystal Vitrified Ltd. (Resulting Company No.4), Amazoone Ceramics Ltd. (Resulting Company No.5 and Transferee Company), and AGL Industries Ltd. (Transferor Company) under Sections 230-232 read with Section 366 Companies Act, 2013 and Companies (Compromise, Arrangement and Amalgamations) Rules, 2016 (hereinafter referred to as "**Companies (CAA) Rules, 2016**"), seeking approval of the Composite Scheme of Arrangement. The said Scheme is appended as "**Annexure-T**" and appearing on page numbers 1017 to 1111 of the Company Petition.

2. Affidavit dated 23.12.2024, in support of the company application, was sworn by Ms. Dhruti Trivedi, the Authorized

Signatory of all the applicant companies, duly authorized vide respective Board Resolutions (**Annexure-S**) dated 12.08.2023 and 19.10.2023. The aforesaid affidavit is placed on record along with the company petition [reference paragraph 2 to order dated 25.10.2024 passed in C.A. (CAA) 41(AHM) 2024].

3. Nine Petitioner Companies had filed a joint Company Application before this Tribunal, being CA(CAA)/41(AHM)2024, seeking directions for convening and holding meetings of equity shareholders, secured creditors and unsecured creditors of petitioner company no.1, meetings of secured creditors and unsecured creditors of petitioner companies 2 to 4 and 8. Further seeking dispensation of meetings of equity shareholders of petitioner companies 2 to 9. There were no preference shareholders in petitioner companies and no secured creditors and unsecured creditors in petitioner companies 5 to 7 and petitioner company no.9.
4. The aforesaid company application, CA (CAA) / 41 (AHM) 2024, was allowed by this Tribunal, vide order dated 25.10.2024 read with order dated 05.11.2024. By the said

orders, this Tribunal directed for convening and holding separate meetings of equity shareholders, secured creditors and unsecured creditors of petitioner company no.1, meetings of secured creditors and unsecured creditors of petitioner companies 2 to 4 and 8. This Tribunal had appointed Mr. S.B. Gautam, Ex-Member, NCLT as the Chairperson and Ms. Neha Lakhanpal, as the Scrutinizer, for the aforesaid meetings and gave further directions to comply with various stipulations contained in the order dated 24.10.2024 read with order dated 5.11.2024 including filing of the Chairman's Report in respect of the aforesaid meetings. Further, this Tribunal had directed the applicant companies for issuance of notice to the Regional Director, MCA, Registrar of Companies Ahmedabad, Reserve Bank of India, concerned Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited, Securities and Exchange Board of India (for Resulting Company No.1/ Demerged Company No.4), Official Liquidator (for Transferor Company), Income Tax Department 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 Sectoral regulators** if applicable,



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who may have significant bearing on the operation of the applicant companies.

5. In compliance with the orders dated 25.10.2024 and 05.11.2024, the Petitioner Companies filed service affidavit dated 25.11.2024 on 26.11.2024, confirming service of notice of meetings upon Equity Shareholders, the Secured Creditors and Unsecured Creditors, along with proof of paper publication. Additionally, an affidavit dated 25.11.2024, was filed regarding service of notice upon Statutory/Regulatory Authorities.
6. The Chairman, Mr. S.B. Gautam, filed reports of the aforesaid meetings by way of affidavit dated 19.12.2024, vide inward no. D9152, on 24.12.2025. On perusal of report of Chairman, meeting of Equity Shareholders of Asian Granito India Limited (Demerged Company No.4/Resulting Company No.1) was convened on 17.12.2024 through Video Conferencing, meetings of Secured Creditors of Asian Granito India Limited (Resulting Company No.1), Affil Vitrified Private Limited (Demerged Company No.1), Ivanta Ceramics Industries Private Limited (Demerged Company No.2), Crystal Ceramics Industries Limited (Demerged



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Company No.3), Amazone Ceramics Limited (Transferee Company) were convened on 17.12.2024 physically at the Registered Office of Resulting Company no.1 and meetings of Unsecured Creditors of Resulting Company No.1, Demerged Companies 1,2 and 3, Transferee Company were convened on 18.12.2024 physically at Ahmedabad Management Association, Ahmedabad. As per the Chairman's report, the Equity Shareholders, Secured Creditors and Unsecured Creditors, who attended the meetings unanimously approved the proposed Scheme.

7. RATIONALE OF THE SCHEME:

The petitioner companies have provided the following rationale for the Scheme:-

Asian Granito India Limited (AGIL), the Demerged Company 4/ 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, bath ware, marbles & quartz and other related products carried on either directly or through its subsidiaries.

DEMERGER

AGIL, the Resulting Company 1 has identified few of its suppliers, i.e., Affil Vitrified Private Limited (AVPL), the Demerged Company 1, Ivanta Ceramics Industries Private



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Limited (ICIPL), the Demerged Company 2 and Crystal Ceramics Industries Limited (CCIL), the Demerged Company 3, that manufacture tiles for AGIL, the Resulting Company 1 on job work basis as well as manufacture tiles under their own brand names. These suppliers are 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 these suppliers. Since these suppliers have separate brands, names and related Intellectual Property such as brands, trademarks, registrations, etc. attached to these names, it is considered appropriate to demerge only the tiles manufacturing businesses into wholly owned subsidiaries of AGIL, the Resulting Company 1 of similar names. 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 by AGIL, the Resulting Company 1 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 demergers of the Affil Tiles Manufacturing Undertaking from AVIL, the Demerged Company 1, the Ivanta Tiles Manufacturing Undertaking from ICIPL, the Demerged Company 2 and the Crystal Tiles Manufacturing Undertaking from CCIL, the Demerged Company 3, the stakeholders of AVPL, the Demerged

Company 1, ICIPL, the Demerged Company 2 and CCIL, the Demerged Company 3 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 AVPL, the Demerged Company 1, ICIPL, the Demerged Company 2 and CCIL, the Demerged Company 3 will get an access to the huge market reach and marketing network of AGIL, the Resulting Company 1. These businesses 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



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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 AVPL, the Demerged Company 1, ICIPL, the Demerged Company 2 and CCIL, the Demerged Company 3 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 the Demerged Companies and AGIL, the Resulting Company 1 with the me respective advantages while making the combined businesses of AGIL, the Resulting Company 1 and the Demerged Companies more sustainable and competitive in the long run.

SLUMP SALE and MERGER

The tiles business and marbles & quartz business have different industry specific risks, business cycles and operate inter alia under different market dynamics, and thus can attract different types of investors as well as management teams and follow different and independent strategies, even as they all have a significant potential for growth and profitability. Given the diversified business portfolio, it has become imperative for AGIL, the Demerged Company 4 to reorient and reorganize itself in a manner that allows it to impart greater focus, management alignment and growth for each of its business lines. AGIL, the Demerged Company 4 is also desirous of enhancing its operational efficiency, flexibility

in attracting capital and management talent through aligned risk return matrices.

The Scheme proposes to combine the interest of AVPL (the Demerged Company 1), ICIPL (the Demerged Company 2) and CCIL (the Demerged Company 3) into AGIL (the Resulting Company 1) and its subsidiaries by way of demerger of the Affil Tiles Manufacturing Undertaking from AVPL (the Demerged Company 1) into ACL (the Resulting Company 2), the Ivanta Tiles Manufacturing Undertaking from ICIPL (the Demerged Company 2) into ICL (the Resulting Company 3) and the Crystal Tiles Manufacturing Undertaking from CCIL (the Demerged Company 3) into CVL (the Resulting Company 4) to expand the tiles business of AGIL (the Resulting Company 1). Further, to reorganise and segregate the interests of AGIL (the Demerged Company 4) in different business lines, slump sale of the Marbles & Quartz Undertaking and merger of AGLIL (the Transferor Company) into AmCL (the Resulting Company 5/ the Transferee Company) are proposed.

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

- i) combining and bundling of Affil Tiles Manufacturing Undertaking of AVPL, the Demerged Company 1, Ivanta Tiles Manufacturing Undertaking of ICIPL, the Demerged Company 2 and Crystal Tiles Manufacturing Undertaking of CCIL, the Demerged Company 3 into ACL, the Resulting Company 2, ICL, the Resulting Company 3 and CVL, the Resulting Company 4 which are, inter alia, wholly owned*

subsidiaries 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;*
- vi) segregation and unbundling of the Marbles and Quartz Undertaking of AGIL, the Demerged Company 4 into AmCL, the Resulting Company 5*
- vii) emergence of AmCL, the Resulting Company 5 as a Marbles & Quartz focused company, attracting the right investors and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth;*
- viii) segregation of the business of manufacturing of building construction related materials and adhesive solutions to enable better focus and growth orientation on the developing new business line;*
- ix) enhancing attractiveness of the entities for management teams by aligning risk return matrices and direct correlation of the rewards to their efforts;*
- x) allowing the respective managements of AGIL, the Resulting Company 1 and AmCL, the Resulting Company 5 to pursue independent growth strategies in different regional and overseas markets;*
- 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.

8. After complying with all the directions given in the orders dated 25.10.2024 and 05.11.2024, Second Motion Petition was filed before this Tribunal by the Petitioner Companies on **30.12.2024**, vide Inward Diary No. E3294, for sanction of the proposed Scheme by this Tribunal.
9. This Tribunal vide order dated 23.01.2025 directed the Petitioner Companies to issue notice to the Statutory/Regulatory Authorities namely (a) Central Government through the office of the Regional Director (North-Western Region), Ministry of Corporate Affairs (MCA) (b) Registrar of Companies, Gujarat, MCA (c) Office of the Official Liquidator (d) the Jurisdictional Income Tax office having jurisdiction over the respective companies Petitioner Company No. 1) (d) the Jurisdictional Income Tax office having jurisdiction over the respective companies indicating specifically their Permanent Account Number (PAN) in the communication as well as the other Sectorial Regulators, who may govern the working of the respective companies involved in the Scheme at least 30 days before the date fixed for hearing of the above Petition. This Tribunal had also directed the Petitioner



Companies for paper publication to be made in "Business Standard" (National edition) and "Jai Hind" (Ahmedabad edition) in Vernacular Language.

10. In compliance of order dated 23.01.2025, Petitioner Companies filed affidavit of service dated **12.02.2025**, vide Inward Diary No. **D1004**, on 17.02.2025, in respect of service of notice upon the statutory/regulatory authorities along with proof of service as well as proof of publication of notice of hearing of the petition in "Business Standard" in English (National edition) and in "Jaihind" Gujarat daily, on 05.02.2025.

11. Pursuant to the service of notice upon the statutory/regulatory authorities, following authorities have responded:-

**STATUTORY/REGULATORY AUTHORITIES
OBSERVATION & RESPONSE THEREOF**

12. **The Regional Director, North-Western Region, Gujarat and the Registrar of Companies, Gujarat.**

In response to the notice served upon the Regional Director (RD), a report dated 03.03.2025 was filed by the RD, North-Western Region, on 05.03.2025, vide Inward Diary No. R113, along with report of the Registrar of Companies (RoC) dated 15.01.2025. They have made some observations in their reports. The petitioner companies have filed an



additional affidavit dated 11.03.2025, vide Inward Diary No.D1707, on 13.03.2025 in response to the representation/reports of the Regional Director, the Registrar of Companies and the Official Liquidator.

RD's Observation: The observations of the RD and response of the petitioner companies for these observations is discussed below.

8.1) That, it is observed from para 4 and 10 of Part-II of the scheme relates to Demerge Undertaking and consideration that three Demerged Undertaking of separate three Demerged Companies No. 1, 2 & 3 will be transfer and vesting with three separate Resulting Companies No. 2, 3 & 4 under Part-II of the scheme and consideration will be paid by other one Resulting Company No.1 Asian Granito India Limited which is holding Company of Resulting companies No. 2,3 & 4. The Asian Granito India Limited is listed company with the BSE & NSE.

In this regard, it is submitted that consideration is required to be paid by Resulting Companies No. 2, 3 & 4 to the shareholder of Demerged Companies No. 1, 2 & 3 respectively. But in this scheme, the consideration will be paid by other one Resulting Company No. 1 Asian Granito India Limited which is listed entity and holding of Resulting companies instead of Resulting Companies and



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for this no reason/justification has been provided anywhere in the proposed scheme.

It is further submitted that all the shareholders (except shares hold by Resulting Company No.1) of three Demerged Companies No.1, 2 & 3 will become direct shareholders of listed company Asian Granito India Limited, Resulting Company No. 1 instead of shareholders of Resulting companies No. 2, 3 & 4.

In this regard, the Hon'ble NCLT may therefore be pleased to direct the Petitioner Company to explain in all viewpoints why consideration will be paid by other one applicant company Asian Granito India Limited instead of Resulting Companies No. 2, 3 & 4 and place on record all the relevant facts of the matter.

Response of the Petitioner Companies: The petitioner companies submitted that vide an interim order dated 12th September 2024, the Hon'ble Tribunal had sought the clarification on the said issue. The petitioners filed an Affidavit dated 18th September 2024 with the explanation for the same. Copy of the said order dated 12th September 2024 and the affidavit dated 18th September 2024 are annexed to the reply as **Annexure-1**. Perusal of the same makes it clear that the petitioners have relied upon the provisions of the Income Tax Act. It has been submitted that "The definition of Demerger as



defined under section 2 (19AA) read with Section 2 (41A) of the Income Tax Act, 1961 is relied upon.

Section 2 (19AA) of the Income Tax Act, 1961 defines the term Demerger. The said section reads as under:

"Demerger" in relation to Companies, means the transfer, pursuant to a Scheme of Compromise or Arrangement under sections 391 to 394 of the Companies Act, 1956 by a demerged company of its one or more undertakings to any resulting company in such a manner that –

(i) All the property of the undertaking, being transferred by the demerged company, immediately before the demerger becomes the property of the resulting company by virtue of demerger,

(ii) All the liabilities relating to the undertaking, being transferred by the demerged company, immediately before the demerger become the liabilities of the resulting company by virtue of demerger,

(iii) The property and the liabilities of the undertaking or undertakings being transferred by the demerged company are transferred at values appearing in books of account immediately before the demerger,

(iv) The resulting company issues, in consideration of the demerger, its shares to the shareholders of the demerged company on a proportionate basis (except



where the resulting company itself is a shareholder of the demerged company);

(v) The shareholders holding not less than three-fourths in value of the shares in the demerged company (other than shares already held therein immediately before the demerger, or by a nominee for, the resulting company or its subsidiary) become shareholders of the resulting company or companies by virtue of the demerger, Otherwise than as a result of the acquisition of the property or assets of the demerged company or any undertaking thereof by the Resulting Company.

Section 2 (41AA) defines the term Resulting Company. The section reads as under:

"Resulting Company means one or more companies (including a wholly owned subsidiary thereof) to which the undertaking of the demerged company is transferred in a demerger and, the resulting company in consideration of such transfer of undertaking, issue shares to the shareholders of the De-merged Company and includes any authority or body or local authority or public sector company or a company established, constituted or formed as a result of de-merger;"

The said explanation was found to be satisfactory to the Hon'ble Tribunal and thereafter the order dated 25th October 2024 was passed with requisite

directions for convening some meetings and dispensing with the other meetings. The Petitioner Companies had also relied upon the order passed by this Tribunal dealing with the same issue in the cases of (i) on 21st July 2023 in the matter of Scheme of Arrangement between Nexion International Private Limited, Nexion Surface Private Limited and Simpulo Vitrified Private Limited and (ii) order dated 12th May 2017 in the matter of Scheme of Arrangement between Sintex Industries Limited, Sintex Plastic technology Limited, Sintex-BAPL Limited and Sintex Infra Projects Limited.

- 8.ii) That, as per the Scheme, the authorized share capital of the Petitioner Transferor Company amounting to Rs. 10,00,00,000/- will be added to the authorized share capital of the Petitioner Transferee Company and the consolidated authorized share capital of the transferee company post-merger will be Rs. 44,00,00,000/-. The Transferee Company shall pay the differential fees and stamp duty, if any, on the enhanced authorized share capital after set-off the fee/stamp duty paid by the Transferor Company(ies) on its authorized capital prior to amalgamation in compliance of provisions of Section 232 (3) (i) of the Companies Act, 2013.

Response of Petitioner Company: The Transferee Company hereby undertakes to pay such difference, if any applicable, for the amount of fees payable as on

date on the proposed enhancement of Authorised Share Capital.

- 8.iii) That, Petitioner Resulting Company 1/Demerged Company 4, namely, Asian Granito India Limited is listed with the BSE & NSE and Petitioner Company has submitted with the office of the Regional Director, the copy of both observation letters dated 01.07.2024 & 02.07.2024 issued by BSE & NSE respectively to the petitioner Resulting Company 1/Demerged Company 4 pursuant to the SEBI circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20.06.2023 for necessary compliance. The SEBI's circulars are intended to ensure compliances by listed companies in the interest of shareholders at large. This office is of the view that the SEBI circulars which are applicable, and the petitioner company should comply with the requirements of the circular.

In this regard the Hon'ble NCLT may be pleased to direct petitioner Demerged Company to place confirmation /undertaking before the Hon'ble NCLT that company has complied the observations of aforesaid letter of stock exchange.

Response of the Petitioner Company: The petitioner companies confirmed that the Petitioner Resulting Company-1, being a public listed company has complied with all the applicable requirements of the SEBI Circular No. CFD/DIL/3/CIR/2017/21 dated March 10, 2017 read with Master Circular dated November 23, 2021 and June 20, 2023. The Petitioner



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Company has already placed on record the observation letters dated July 1, 2024 and July 2, 2024 from the concerned Stock Exchanges along with the first stage Application. The Resulting Company-1 has already filled status report with Stock Exchanges against the said Observation Letters. Further, the Petitioners undertake to comply with all applicable requirements of the Observation Letters even during the implementation of the Scheme.

- 8.iv) It is mentioned at Clause 12.1 of the scheme that "Upon coming into effect of Part II of this Scheme, INR 15,00,00,000 (Rupees Fifteen Crores) shall stand transferred from the authorised capital of the Demerged Company 3 and get combined with the authorised capital of the Resulting Company 1....."

In this regard, it is submitted that transfer of authorized capital of the Demerged Company No.3 to the authorized capital of the Resulting Company No. 1 amounting Rs. 15,00,00,000/- may not allowed as there is no provision in the Companies Act for reduction of the authorized capital of Demerged Company & increase of the authorized capital of resulting companies by virtue of demerger scheme.

The Hon'ble NCLT may therefore be pleased to not to allow clause 12 of Part-II of the scheme for transfer of authorized capital of the Demerged Company No.3 to the authorized capital of the Resulting Company No.1.

Response of the Petitioner Companies: The petitioner companies submitted that under the provisions of the Companies Act, there is no bar for the transfer of part of Authorised Capital in case of Demerger. The principles for the transfer of Authorised Capital are the same in case of the Transferor Company and Demerged Company. The same has been accepted by several judgments of the High Court and several Schemes of Arrangement has been sanctioned by this Hon'ble Tribunal with the said proposal. In this connection, we rely upon the orders passed by this Hon'ble Tribunal in matter of GHCL Limited (CP (CAA) No. 61 of 2022 dtd. 8th Feb. 2023) and in the matter of Mahalaxmi Rubitech Limited (CP(CAA) 57 of 2023 dtd.4th Mar. 2024).

- 8.v) That, as per clause 32 of the scheme, the name of the Transferee Company shall be changed from Amazoone Ceramics Limited to AGL Industries Limited by adopting the name of Transferor Company.

In this regard, the Hon'ble NCLT may therefore be pleased to direct the Petitioner Company to follow the provisions of section 13 (change in name) read with section 4 of the Companies Act, 2013 and Rules made thereunder and place on record all the relevant facts of the matter.



Response of the Petitioner Companies: The Petitioner Transferee Company undertakes to comply with the requisite procedure prescribed under the Companies Act, for the same, upon the Scheme becoming effective. Since the proposed name belongs to the Transferor Company at present, the same name will not be made available by the Registrar of Companies.

8.vi) That, as per consideration provided in the scheme, further increase in authorized share capital of the Petitioner Transferee Company namely Amazoone Ceramics Limited will be required since the authorized share capital of the Transferee Company is not sufficient to issue and allot new shares of the Transferee Company to the shareholders of the Petitioner Transferor Company through this scheme. There is requirement to increase in the authorized capital of the Petitioner Transferee Company. The company is required to comply with the relevant provisions of the Companies Act, 2013 for increase in authorized share capital of the Transferee Company.

The Hon'ble NCLT may therefore be pleased to direct the Petitioner Transferee Company to comply with the provisions of section 61 of the Companies Act, 2013 and also as to the payment of stamp duty, registration fees etc. and file the relevant e-form with respective Registrar of Companies.



Response of the Petitioner Companies: The petitioner companies submitted that as envisaged under Clause 30.1 of the Scheme, upon the Scheme becoming effective, the Authorised Capital of the Transferor Company, is proposed to be transferred and consolidated with the Authorised Capital of the Transferee Company. It is also proposed to be reclassified. Under the circumstances, the authorized capital of the transferee company is sufficient to issue and allot new shares of the transferee company to the shareholders of the transferor company through this scheme.

- 8.vii) That, the Registrar of Companies, Ahmedabad has reported at para 8 of his office report dated 15.01.2025 that auditor of the Demerged Company No.2 Ivanta Ceramics Industries Private Limited has made observation under emphasis of matter that the company has not made provision for gratuity of employee for the FY ended as on 31.03.2024 in compliance of Accounting Standard-15.

The ROC further reported that Statutory Auditor of the Demerged Company No.3 have reported observations/qualified remark in their report for FY2021-22 regarding delay in repayment of dues of bank/financial Institutions and for the FY 2022-23 and 2023-24 regarding investigation by the Income Tax Department/GST Department.



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In this regard, the Hon'ble NCLT may therefore be pleased to direct Demerged Company No.2 & 3 to clarify about observations of auditor and also place on record the present status of Investigation by the Income Tax Department/GST Department and relevant facts of the matter and Hon'ble Bench may rely on report submitted by Income Tax Department.

Response of the Petitioner Companies: It is submitted that during the financial year ended on 31.03.2024, the said petitioner company was converted from the status of LLP to the private limited company. At the relevant point of time, the transferring of employees was in process and hence the provision was not made before 31st March 2024. However, the same was already provided upon the actual transfer of the employees.

It has also pointed out that Statutory Auditor of the Demerged Company-3 have reported observations in their report for FY 2021-22 regarding delay in repayment of dues of Banks/financial institutions.

Further, it is respectfully submitted that the said company was facing financial crunch for some time during the financial year 2021-22. As a result, the repayment of the dues of the Banks/financial institutions was slightly delayed,

however, there has been no default and subsequently, the dues were duly paid.

There is also a reference made to the investigation by the Income Tax Department against the Demerged Company-3. It is respectfully submitted that the issue pertaining to the said Search and Seizure proceedings has been already elaborately explained vide the earlier Additional Affidavit dated 28.02.2025 and the same submissions are relied upon. In case of GST search, the Demerge Company-3 has not received any further communication/notice from the GST department.

8.viii) To direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.

Response of the Petitioner Companies: The petitioner companies confirmed that the Scheme as annexed to the Company Application being CA (CAA) 41 of 2024 is verbatim the same as annexed to the company petition viz. CP (CAA) 3 of 2025 and that there is no discrepancy or there is no change made.

8.ix) To direct the Petitioner Companies to file an affidavit to the extent that no CIRP proceeding under IBC and/ or winding up petition against applicant companies are pending.



Response of the Petitioner Companies: The petitioner companies submitted that the Petitioners have already confirmed the same on oath at Para 46 of the First Motion Application. It is hereby reiterated that there are no CIRP proceedings under the IBC or any other winding up proceedings against any of the Petitioner Companies.

13. The RD in his representation further submitted that this Tribunal may be pleased to direct the Petitioner Companies:-

- a) To ensure compliance and furnish clarification, if any, regarding observations made by Registrar of Companies and this Directorate (NWR).
- b) To preserve its books of accounts, papers and records and shall not be disposed of without prior permission of Central Government as per the Provisions of Section 239 of the Companies Act, 2013.
- c) To ensure statutory compliance of all applicable Laws and on sanctioning of the present Scheme, the Petitioner Companies shall not be absolved from any of its Statutory liabilities, in any manner.
- d) Necessary Stamp Duty on transfer of property/Assets, if any, is to be paid to the respective Authorities before implementation of the Scheme.

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- e) The petitioner companies involved in the scheme to comply with the provisions of Section 232(5) of the Companies Act, 2013 with respect to file certified copy of order sanctioning the scheme with Registrar of Companies within 30 days from date of passing order.
- f) The Petitioner companies shall undertake to comply with Income Tax /GST law and any demand /taxes payable on implementation of the said scheme as per law.

Response of the Petitioner Companies: The petitioner companies undertake to comply with all the aforesaid statutory requirements in accordance with the directions of the Hon'ble Tribunal.

RoC's Observation

Some observations of the RoC have already been mentioned in the representation of the RD. Following are the other observations of RoC:-

- i. In the Resulting Company No. 1/ Demerged Company No. 4, there are Non-Resident Indian (NRI) shareholders and Foreign Institutional Investors. In this regard, the Hon'ble NCLT may kindly direct the Resulting Company No. 1/ Demerged Company No. 4



to ensure the compliances pertaining to the FEMA and RBI guidelines in the matter.

- iii. As per the financial statement for the financial year as at 31.03.2024 of the Transferor company No. 1, the following body corporate shareholders holding 10% or more of total shareholding of the Applicant Transferor Company No.1 :-

Sr. No.	Positioner Company	Name of Shareholder	% of shares held	Remark
1	ASIAN GRANITO INDIA LIMITED (Resulting Company No. 1/ Demerged Company No. 4)	KANLESHBHAI BHAGUBHAI PATEL HUF	12.36% prior to FY 2020-21, thereafter, shareholding reduced	e Form BBN 2 has by the company vide SN N20053276 dated 30.12.2019 and N20792892 dated 23.01.2021. However, the company vide letter dated 03.12.2024 attached with GNL 1 bearing SN N20769948 dated 27.11.2024 has submitted that BBN 2 is not applicable to the Company.
2	AFFIL VITRIFIED PRIVATE LIMITED (Demerged Company No. 1)	BHAGUBHAI PUNJABHAI PATEL HUF	10.5% prior to FY 2020-21, thereafter, shareholding reduced	BBN 2 filed vide SN N20074219 dated 20.12.2019. However, the company vide letter dated 03.12.2024



Vitrified Limited (Resulting Company No. 4) Amazonne Ceramics Limited (Resulting Company No. 5/ Transferee Company) and AGI Industries Limited (Transferor Company) are under statutory obligation to comply with the provisions of Section 90(4), 90(4A), 90(5) of the Companies Act, 2013 and Rules made thereunder. Hon'ble NCLT may kindly issue suitable directions to the above-mentioned Applicant Companies to place the fact on the record regarding compliance of aforesaid provisions of the Companies Act, 2013 and Rules made thereunder.

-Response of the Petitioner Companies: The petitioner companies undertake to comply with the provisions of Section 90(4), 90(4A) and 90(5) of the Companies Act, 2013 and rules made thereunder.

- iv) As per the provisions of the Companies Act, 2013 wherein it is mandated certain statutory responsibilities on the part of the public company and its KMP/BoD. A public company so long as remain as public company shall ensure that such statutory requirements of law are duly complied with at relevant time in prescribed manner. Therefore, onus of the due compliance of the applicable provisions of the



Companies Act, 2013 is vested with the Applicant Public Company and its KMP/BoDs.

- v) Clause 32 of the proposed scheme provides the change of name of the Transferee Company. In this regard, the Transferee Company shall follow the procedure led down under section 4 read with Section 13 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and shall file the prescribed E-form with the Ministry of Corporate Affairs along with requisite fees/additional Fees.
- vi) As per Section 240 of the Companies Act, 2013, the liability in respect of offences committed under the Companies Act by the Officers in default, of the Transferor Company prior to Merger, Amalgamation or Acquisition shall continue after such Merger, Amalgamation or Acquisition.

14. The Official Liquidator

In response to the notice served upon the Official Liquidator (OL), a representation/report dated 20.02.2025 was filed by the OL on 21.02.2025, vide Inward Diary No. R75, in respect of the Transferor Company/AGL Industries Ltd. In response to the representation of the OL, the



petitioner companies have filed an additional affidavit dated 28.02.2025, vide Inward Diary No.D1384, on 03.03.2025.

OL's Observation

- i) The Transferor Company has filed its Audited Annual Accounts (Balance Sheet) with the Registrar of Companies up to 31.03.2024, as per MCA portal.
- ii) The Transferor Company has not accepted Deposits u/s 73 of the Companies Act, 2013 and maintaining of cost record is not applicable to the company. Further, the Transferor Company is not required to register with RBI as a NBFC.
- iii) The Income Tax Assessments have been completed upto assessment year 2023-24. The Assessment is pending for only one year i.e. AY 2024-25.

The OL in his representation further submitted that this Tribunal may be pleased to direct the Transferor Company/Petitioner Companies:-

- i) To direct the Transferor Company to preserve its books of accounts, papers and records and shall not be disposed of without prior permission of the Central Government as per the Provision of Section 239 of the Companies Act, 2013.
- ii) To direct the Transferor Company to ensure statutory compliance of all applicable laws. And, on sanctioning of



Response of Petitioner Companies: The petitioner companies confirmed that they are duty bound and undertake to comply with the aforesaid directions issued by this Tribunal while sanctioning the proposed Scheme and no absolution from such compliances is envisaged as no result of the proposed Scheme.

15. Income Tax Department

In response to the notice served upon the Income Tax Department, the Income Tax Department filed its report/s dated 16.12.2024, 13.12.2024 and 18.12.2024 on 26.02.2025, vide inward no. R90 and another report dated 25.02.2025 was filed on 26.02.2025 vide inward no. R91.

In response to the reports of the Income Tax Department, the petitioner companies have filed additional affidavit dated 28.02.2025, vide inward diary no. D1384, on 03.03.2025.

Observations of the Income Tax Department

- (i) The Income Tax Department raised objection in case of five Petitioner Companies, viz. Asian Granito India Limited, Affil Vitrified Private Limited, Crystal Ceramic Industries Limited, Amazoone Ceramics Limited and



AGL Industries Limited, with reference to the proposed Composite Scheme of Arrangement involving the Demerger, Slump Sale and Amalgamation between these companies.

- (ii) No objections in respect of other four companies
- (iii) Following are the grounds of objections and reply/response of the petitioner companies: -

a) The Search and Seizure action carried out in the year 2022 in case of "AGL Group" and its key associates and the data seized during this action is under verification for reopening of assessments for previous years to Assessment year 2020-21;

- **Response of Petitioner Companies:** The petitioner companies submitted that the sanction of the proposed Scheme of Arrangement shall not hinder or come in the way of pending proceedings of the Income Tax Department, including verification of the data or the reopening of assessments, under the applicable provisions of the Income Tax Act.

b) The demands for tax liabilities raised for different Assessment Years;

- **Response of Petitioner Companies:** The demands raised by the Income Tax Department for tax liabilities in case of the different Petitioner Companies have been disputed and are pending

in Appellate proceedings. The petitioners undertake that as and when the tax demands are finally crystallised, the said liabilities shall be duly fulfilled by the respective companies. Under the present scheme, only one Transferor Company is being dissolved and its liabilities shall be duly fulfilled by the Transferee Company. In other cases, of the Demerger and Slump Sale, the concerned petitioner companies shall remain in existence and undertake to fulfil the respective tax liabilities, as and when crystallised.

c) The Reduction in losses on account of various additions;

- **Response of Petitioner Companies:** On the issue of reduced losses, the respective petitioner companies shall be eligible only for the amount of losses finally permitted under the applicable provisions of the Income Tax Act. The scheme of arrangement shall not in any way affect the same.

d) The Valuation Report of the Registered Valuer being based upon the books of accounts, which are disputed by the Income Tax Department;

- **Response of Petitioner Companies:** The basis of the Valuation Report by the Registered Valuer has to be the duly Audited Accounts of the Company. The proceedings under the Income Tax Act, does



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not have any impact on the Valuation Reports. The concerned parties viz. Stock Exchanges, respective shareholders and the creditors of the companies have considered the valuers' reports and approved the considerations, as recommended vide the respective report without any objections.

- e) Due to pending proceedings, the demands of the Income Tax Department are likely to be raised in future.

- **Response of Petitioner Companies:** The apprehension that the demands of tax liabilities are likely to be increased at the end of the proceedings shall not have any bearing on the Scheme of Arrangement. The respective companies have undertaken to fulfil the tax liabilities as and when the same are finally crystalized. No absolution is sought from the compliance of the applicable provisions of law. The petitioners have undertaken to abide by all the applicable provisions of the Income Tax Act.

- The Petitioner Companies have relied upon the decision of the Hon'ble NCLAT passed in Company Appeal (AT) no. 98 of 2019 on 25.09.2019. Copy of the order is annexed.



16. The Applicant Companies have submitted that the Statutory Auditors have certified that the Accounting Treatment proposed in terms of clauses 11.1 to 11.7 of Part-II, Clause 20 of Part-III and Clause 28 of Part-IV 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-U** to the application.
17. It is submitted 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.
18. It is further submitted that there are no winding up petitions or proceedings under the Insolvency and Bankruptcy Code, pending against the petitioner companies.
19. The proposed Scheme provides for the following:-
- Demerger**
- i) Transfer and vesting of the Affil Tiles Manufacturing Undertaking from Affil Vitrified Pvt. Ltd. (Applicant

Company No.2/Demerged Company No.1) to Affil Ceramics Limited (Applicant Company No. 5/Resulting Company No.2).

ii) Transfer and vesting of Ivanta Tiles Manufacturing Undertaking from Ivanta Ceramics Industries Pvt. Ltd. (Applicant Company No.3/ Demerged company No.2) to Ivanta Ceramic Ltd. (Applicant Company No. 6/ Resulting Company No.3).

iii) Transfer and vesting of Crystal Tiles Manufacturing Undertaking from Crystal Ceramic Industries Ltd.(Applicant Company No. 4/ Demerged Company No.3) to Crystal Vitrified Ltd. (Applicant Company No.7/ Resulting Company No. 4)

on a going concern basis, and the consequent issue of shares by Asian Granito India Ltd. (Applicant Company No.1/ Resulting Company No.1 and Demerged Company No.4).

iv) Transfer and vesting of Marbles and Quartz Undertaking from Asian Granito India Ltd. (Applicant Company No.1/ Resulting Company No.1 and Demerged Company No.4) to Amazoone Ceramics Ltd. (Applicant Company No.8/ Resulting Company No. 5 and Transferee Company), as a going concern on a Slump Sale basis, and the consequent discharge of consideration by Amazoone Ceramics Ltd./Resulting Company No.5/Transferee Company.



The Demerged Companies 1 to 3 and 4 will continue to pursue their interests in and carry on the remaining businesses as are presently being carried on.

Merger

Amalgamation/Merger of AGL Industries Ltd. (Applicant No.9/ Transferor Company) with Amazoone Ceramics Ltd. (Applicant Company No. 8/ Resulting Company No.5 & Transferee Company) and the consequent issue of shares by Transferee Company.

20. Reserve Bank of India

In response to the notice served upon the Reserve Bank of India (RBI), a letter dated 03.10.2024 received from RBI, vide inward diary no. 2080, in which at para-2, it is submitted as follows:-

"In this connection, we submit that it is the duty of the companies undergoing compromise/arrangement / amalgamation to comply with the requirements of various laws including the rules, regulations and guidelines prescribed by RBI, viz. the companies may have to comply with Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder. It is also submitted that as a Regulator it will not be ethical on the part of RBI to vet individual cases, as it will preclude it from taking action on contraventions, if any, committed by such companies."

21. Valuation Report

(i) Demerger

It is submitted that the share exchange ratio has been arrived at based on valuation report by Mr. Gaurav Maheshwari, Registered Valuer (IBBI Reg. No. IBBI/RV/11/2021/14432) and fairness opinion by M/s. Holani Consultants Pvt. Ltd., a SEBI registered Category-I Merchant Banker (Reg. No. INM000012467). The valuation reports are available in the First Motion Application in Annexures S-1, S-2, and S-3 of the demerged companies. Report in Annexure S-4 concerns value of the business being transferred by Demerged Company 4 under slump sale. Report S5 concerns value of share transfer of AGL Industries Limited.

(ii) Slump Sale

It is submitted that the consideration has been arrived at based on valuation report by CA Sejal Agrawal, Registered Valuer (IBBI/ RV/ 06/ 2020/ 13106). Report is given in S-4 of the First Motion Application.



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(iii) Merger

It is submitted that the share exchange ratio has been arrived at based on valuation report by CA Sejal Agrawal, Registered Valuer (IBBI/ RV/ 06/ 2020/ 13106). The Report is available in Annexure S-5 of the First Motion Application.

22. OBSERVATION OF THIS TRIBUNAL

22.1 Before adverting to the reports of the Regional Director, Registrar of Companies, Income Tax Department, Official Liquidator and other authorities, we consider necessary to summarise the facts of the cases involved in the Scheme.

I. Appointed Date of the Scheme is 16th October 2023. The Scheme involves Demerger, Transfer and Vesting of businesses within the Asian Granito Group.

A. Companies involved in the Scheme

II. Asian Granito India Limited (AGIL) is a public listed company. Equity shares of AGIL are listed on the BSE Limited and the National Stock Exchange of India Limited. It is engaged in the manufacturing and trading



of tile products. It currently owns manufacturing facilities and a windmill in Gujarat.

- AGIL had revenue from operations of Rs 1305.14 crores and profit of Rs 40.51 crores for the year ended on 31.03.2024.
- AGIL had a total equity of Rs 1274.52 crores as on 31.03.2024 that comprised of equity share capital of Rs 126.74 crores and other equity of Rs 1147.78 crores.
- In the Scheme presented in the Application, the AGIL has been designated as **Demerged Company 4 and Resulting Company 1.**

III. Affil Vitrified Private Limited (AVPL) is engaged in the business of manufacturing of tiles under the brand name "Affil" and carries out job work for AGIL and also engaged in the trading activity. This company has been termed as **Demerged Company 1** in the Scheme.

- AVPL had a revenue from operations of Rs 54.94 crores and a loss of Rs 22.19 crores for the year ended 31.03.2024.



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- AVPL had a share capital of Rs 18.19 crores and a reserve and surplus of Rs (-) 44.05 crores as on 31.03.2024.

IV. Ivanta Ceramics Industries Private Limited (ICIPL) is an unlisted public limited company engaged in the business of manufacturing of tiles under the brand name "Ivanta" and also carries out job work for AGIL. It also carries out trading activity. This company is termed as **"Demerged Company 2"**.

- The company had a revenue from operations of Rs 27.61 crores and a profit of Rs 32.41 crores for the year ended as on 31.03.2024.
- The company had a share capital of Rs 80 lakhs and reserve and surplus of Rs (-) 21.27 lakhs as on 31.03.2024.

V. Crystal Ceramic Industries Limited (CCIL) is engaged in the business of manufacture of glazed vitrified tiles under the brand name "Crystal" and carries out job work for AGIL and also carries on trading activities. This company has been described as **Demerged Company 3**.

- CCIL had a revenue from operations of Rs 124.24 crores and business loss of Rs 30.43 crores for the year ended as on 31.03.2024.
- CCIL had a equity share capital of Rs 40.29 crores and other equity of Rs (-)14.54 crores.

VI. Affil Ceramics Limited (ACL) is an unlisted public limited company incorporated on 23.03.2023 and is engaged in the business of manufacture of refractory bricks. This company has been described as **Resulting Company 2 in the Scheme.**

- ACL is a wholly owned subsidiary of Asian Granito India Limited (ACIL).
- ACL had no revenue from operations as on 31.03.2024 and 30.06.2024 and it had a share capital of Rs one lakh only as on 31.03.2024.

VII. Ivanta Ceramics Limited (ICL) is an unlisted public limited company incorporated on 23.03.2023. This company is stated to be a manufacturer of refractory bricks. This company has been described as **Resulting Company 3** in the Scheme.

- ICL is a wholly owned subsidiary of Asian Granito India Limited (AGIL).

- The share capital of company is Rs one lakh as on 31.03.2024.
- There is no business of the company as on 31.03.2024.

VIII. Crystal Vitrified Limited (CVL) is an unlisted public limited company incorporated on 23.03.2023. Main object of CVL is manufacture of refractory bricks. CVL has been described as **Resulting Company 4** in the Scheme.

- CVL is a wholly owned subsidiary of AGIL.
- CVL had no business as on 31.03.2024.
- Share capital of CVL as on 31.03.2024 is Rs one lakhs.

IX. Amazoone Ceramics Limited (AmCL) is an unlisted public limited company incorporated on 25.09.2003 and is engaged in the business of manufacture of quartz and marble surfaces. This company has been described as **"Resulting Company 5"** in the Scheme.

- This company is a wholly owned subsidiary of AGIL.
- AmCL had a revenue from operations of Rs 37.04 crores and a loss of Rs 4.99 crores for the year ended on 31.03.2024.
- Company had a equity share capital of Rs 29.28 crores and other equity of Rs 30.09 crores as on 31.03.2024.



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X. AGL Industries Limited (AGLIL) is an unlisted public limited company incorporated on 09.05.2013 and engaged in the business of manufacturing of building construction related material. This company has been described as a **Transferor Company**.

- This company is a wholly owned subsidiary of AGIL.
- The company had other income of Rs 27.13 lakhs and a loss of Rs 33.44 lakhs for the year ended on 31.03.2024. It had other income of Rs 8.46 lakhs and a profit of Rs 5.84 lakhs for the period 01.04.2024 to 30.06.2024.
- The company had an equity share capital of Rs 1.87 crores and other equity of Rs 1.66 crores as on 31.03.2024.

B. Business Restructuring:

The Scheme involves the demerger of the following businesses:

- Affil Tiles manufacturing business Undertaking of AVPL (Demerged Company 1) is demerged to ACL (Resulting Company 2). AVL will retain the trading business only.
- Ivanta Tiles manufacturing business undertaking of ICIPL (Demerged Company 2) is demerged to ICL (Resulting Company 3). ICIPL will retrain trading business.



- Crystal Tile Manufacturing Undertaking of CCIL (Demerged Company 3) is demerged to CVL (Resulting Company 4), CCIL will retain trading business.

The Scheme also provides that AGIL (Demerged Company 4) will transfer the marble and Quartz Undertaking to AmCL (Resulting Company 5) as a going concern on a slump sale basis.

The Scheme also provides that AGLIL (Transferor Company) will amalgamate with AmCL.

C. Consideration

C.1 Demerger of Business: The Scheme provides for issue of shares by AGIL, the Resulting Company 1 to the shareholders of the Demerged Companies 1,2, and 3 (AVPL, ICIPL, and CCIL respectively). Demerged Undertaking has been defined in clause 1.13 on page 19/95 of the Scheme. The issue of consideration relating to demerger of the businesses has been discussed in clause 10 on pages 46 to 50 of the Scheme. Further, paragraph 19 on page 66 of the Scheme deals with the consideration for slump sale. Additionally, paragraph 27



on page 76 of the Scheme deals with the consideration relating to amalgamation of the AGLIL with AmCL.

22.2 We have gone through the Company Petition, Scheme, Representation/Report of the Regional Director, report of the Registrar of Companies, representation of Official Liquidator in respect of Transferor Company, Letter of the Reserve Bank of India, and report of Income Tax Department as well as the response of the Petitioner Companies in respect of the Representation/Report of the RD, RoC, OL and Income Tax Department.

B. After analysing the Scheme in detail, this Tribunal is of the considered view that the Scheme as contemplated between the Companies seems to be *prima facie* beneficial to the Companies and will not be in any way detrimental to the interest of the shareholders and the creditors of the Companies. Considering the record placed before this Tribunal and since all the requisite statutory compliances have been fulfilled by the Petitioner Companies, this Tribunal sanctions the proposed Scheme as well as the prayer made therein subject to the findings/directions given in this order.



In short, the proposed Scheme provides for (i) Arrangement by way of Demerger of Affil Tiles Manufacturing undertaking from Affil Vitrified Pvt. Ltd. (Demerged Company No.1) to Affil Ceramics Ltd. (Resulting Company No.2), Demerger of Ivanta Tiles Manufacturing undertaking from Ivanta Ceramics Industries Pvt. Ltd. (Demerged Company No.2) to Ivanta Ceramic Ltd. (Resulting Company No.3), Demerger of Crystal Tiles Manufacturing Undertaking from Crystal Ceramic Industries Ltd. (Demerged Company No.3) to Crystal Vitrified Ltd. (Resulting Company No.4) and Demerger of Marbles and Quartz Undertaking from Asia Granito India Ltd. (Resulting Company No.1/Demerged Company No.4 to Amazoone Ceramics Ltd. (Resulting Company No.5 & Transferee Company); (ii) Amalgamation, by way Merger, of AGL Industries Ltd. (Transferor Company) into Amazoone Ceramics Ltd. (Resulting Company No.5 & Transferee Company) and their respective Shareholders and Creditors effect from the Appointed Date of 16.10.2023.



- C. The Learned Sr. Counsel for the Petitioner Companies submitted that no investigation proceedings are pending against the Petitioner Companies under the provisions of the Companies Act, 1956 or the Companies Act, 2013, and no proceedings for oppression or mismanagement have been filed before this Tribunal or the erstwhile Company Law Board. The Transferee Company undertakes to assume responsibility for any undisclosed litigations or proceedings that may arise post-sanction, in accordance with applicable laws.
- D. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioner company.
- E. Various authorities have provided their comments/observations/objections regarding the Scheme and these are discussed in this order. The Petitioner Companies have undertaken to abide by the rules,

regulations, and law referred to by the respective authorities. The Petitioner companies are directed to meticulously follow and abide by the same and file required reports to the authorities, if any.

F. While approving the Scheme as above, it is clarified that this order should not be construed as an order in any way granting approval of the said loan assignments and exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

G. Further, it becomes relevant to discuss that in Company Petition CAA-284/ND/2018 vide Order dated 12.11.2018, the NCLT New Delhi has made the following observations with regard to the right of the Income Tax Department in the Scheme of Amalgamation:

"taking into consideration the clauses contained in the Scheme in relation to liability to tax and also as insisted upon by the Income Tax and in terms of the decision in re Vodafone Essar Gujarat Limited v. Department of Income Tax (2013) 353 ITR 222 (Guj) and the same being also



affirmed by the Hon'ble Supreme Court and as reported in (2016) 66 taxmann.com374 (SC) from which it is seen that at the time of declining the SLPs filed by the revenue, however stating to the following effect vide its order dated April 15, 2015 that the Department is entitled to take out appropriate proceedings for recovery of any statutory dues from the Petitioner or transferee or any other person who is liable for payment of such tax dues, the said protection be afforded is granted. With the above observations, the petition stands allowed and the scheme of amalgamation is sanctioned."

23. THIS TRIBUNAL DO FURTHER ORDER:

- i) The Scheme of Arrangement annexed as **Annexure 'T'** to the Company Petition is hereby sanctioned and it is declared that same shall be binding on the Petitioner Companies and its Shareholders and Creditors and all concerned under the Scheme.
- ii) The Appointed Date for the Scheme shall be **16.10.2023**.
- iii) The petitioner Transferor Company (AGL Industries Limited) shall be dissolved without winding up.
- iv) The Resulting Company No.1/Demerged Company No.4 is directed to comply with the guidelines of the Reserve Bank of India.
- v) The resulting Company No.1 (AGIL), being a listed entity, shall comply with all applicable regulations, circulars, and directions issued by the Securities and Exchange Board of India (SEBI), BSE Limited, and

National Stock Exchange of India Limited (NSE), including ongoing disclosure and compliance obligations under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- vi) The approval of the Scheme will not be foreclosing the right of the Income Tax Department to take any decision as per the provisions of the Income Tax Act, 1961, against the Petitioner Companies.
- vii) The approval of the Scheme does not affect the authorities' right to proceed with pending cases, if any, against the Petitioner Companies.
- viii) **Directions for De-merger and Slump Sale:**
- a) All the properties, rights and powers of the respective De-merged Undertakings of the respective Petitioner De-merged Companies and all the other property, rights and powers of the respective De-merged Companies relatable to the De-merged Undertakings, be transferred without any further act or deed to the respective Resulting Companies and accordingly the same shall, pursuant to Section 232 of the Act, vest in the respective Resulting Companies for all the estate and interest of the respective De-merged Companies therein but subject nevertheless to all charges now affecting the same, if any.



- b) All licenses, permissions, permits, approvals, certificates, clearances, authorities, leases, tenancy, assignments, rights, claims, liberties, special status, other benefits or privileges and any power of attorney relating to the respective De-merged Companies relating to the De-merged Undertakings shall stand transferred to and vested in the respective Resulting Companies, without any further act or deed. The respective Resulting Companies shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the respective Resulting Companies.
- c) All the liabilities and duties of the respective De-merged Companies relating to the respective De-merged Undertakings shall be transferred, without further act or deed, to the respective Resulting Companies, and accordingly, the same shall pursuant to Sections 230 & 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the respective Resulting Companies.

All contracts, agreements, insurance policies, bonds and all other instruments of whatsoever nature or description, of the respective De-merged Companies relating to the respective De-merged Undertakings, shall stand transferred to and

vested in the respective Resulting Companies and be in full force and effect in favour of the respective Resulting Companies and may be enforced by or against it as fully and effectually against the respective Resulting Companies.

- d) All proceedings, if any, now pending by or against the respective De-merged Companies relating to the respective De-merged Undertakings, shall be continued by or against the respective Resulting Companies.
- e) All workers / employees of the respective De-merged Companies relating to the respective De-merged Undertakings shall be deemed to become the workers / employees of the respective Resulting Companies with effect from the Appointed Date, and shall stand absorbed in the respective Resulting Companies in accordance with the Scheme without any interruption of service and on terms and conditions no less favourable than those on which they are engaged by the respective De-merged Companies, as on the Effective Date.
- f) All taxes paid or payable by the respective De-merged Companies relating to the respective De-merged Undertakings including existing and future incentives, unveiled credits and exemptions, the benefit of carried forward losses and other



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statutory benefits, which shall be available to and vest in the Resulting Companies. The Tax liability of the respective De-merged Companies relating to the respective De-merged Undertakings shall become a liability of the Resulting Company, and any proceedings against the respective De-merged Companies relating to the respective De-merged Undertakings shall continue against the Resulting Company. It is stated that any credit/exemption/relief, etc., as discussed, will be subject to the provisions of the Income Tax Act, 1961.

ix) **Directions for Amalgamation**

- a) All the properties, rights and powers of the Undertaking of the Transferor Company and all the other property, rights and powers of the Transferor Company be transferred without any further act or deed to the Transferee Company and accordingly the same shall, pursuant to Section 232 of the Act, vest in the Transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same, if any.
- b) All licenses, permissions, permits, approvals, certificates, clearances, authorities, leases, tenancy, assignments, rights, claims, liberties, special status, other benefits or privileges and any



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power of attorney relating to the Transferor Company shall stand transferred to and vested in the Transferee Company, without any further act or deed. The Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

- c) All the liabilities and duties of the Transferor Company shall be transferred, without further act or deed, to the Transferee Company, and accordingly, the same shall pursuant to Sections 230 & 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company.
- d) All contracts, agreements, insurance policies, bonds and all other instruments of whatsoever nature or description, of the Transferor Company, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually against the Transferee Company.
- e) All proceedings, if any, now pending by or against the Transferor Company shall be continued by or against the Transferee Company.
- f) All workers / employees of the Transferor Company



shall be deemed to become the workers /employees of the Transferee Company with effect from the Appointed Date, and shall stand absorbed in the Transferee Company in accordance with the Scheme without any interruption of service and on terms and conditions no less favourable than those on which they are engaged by the Transferor Company, as on the Effective Date.

g) All taxes paid or payable by the Transferor Company including existing and future incentives, unveiled credits and exemptions, the benefit of carried forward losses and other statutory benefits, which shall be available to and vest in the Transferee Company. The Tax liability of the Transferor Company shall become a liability of the Transferee Company, and any proceedings against the Transferor Company shall continue against the Transferee Company. It is stated that any credit/exemption/relief, etc., as discussed, will be subject to the provisions of the Income Tax Act, 1961

x) The petitioner companies are directed to comply with the observations of the Regional Director and the Registrar of Companies in their representation. The petitioner companies shall:

a) Preserve their books of accounts, papers, and records and not dispose of them without prior



permission of the Central Government, as per Section 239 of the Companies Act, 2013.

- b) Ensure compliance with all applicable laws, including but not limited to the Companies Act, 2013, SEBI regulations, and the Income Tax Act, 1961. The sanction of the Scheme shall not absolve the petitioner companies from any statutory liabilities, and all books of accounts, papers, and records shall be preserved as per Section 239 of the Companies Act, 2013, without disposal unless permitted by the Central Government.
- c) File a certified copy of this order with the Registrar of Companies within 30 days of receipt, as per Section 232(5) of the Companies Act, 2013.

xi) **Consideration (Demerger):**

Upon Part II of 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:

- i) to each shareholder of AVPL (the Demerged Company 1), **73 (Seventy Three)** fully paid up equity shares of INR 10 (Indian Rupees Ten) each of AGIL (the Resulting Company 1) for every **40 (Forty)** equity shares of INR 10



(Indian Rupees Ten) each in AVPL (the Demerged Company 1) held by such shareholder whose name is recorded in the register of members and records of the depository as members of AVPL (the Demerged Company 1) as on the Record Date.

No shares shall be issued by AGIL (the Resulting Company 1) in respect of the shares held by AGIL (the Resulting Company 1) or any of its subsidiaries in AVPL (the Demerged Company 1).

- ii) to each shareholder of ICIPL (the Demerged Company 2), **479 (Four Hundred Seventy Nine)** fully paid up equity shares of INR 10 (Indian Rupees Ten) each of AGIL (the Resulting Company 1) for every **12 (twelve)** equity shares of INR 10 (Indian Rupees Ten) each in ICIPL (the Demerged Company 2) held by such shareholder whose name is recorded in the register of members and records of the depository as members of ICIPL (the Demerged Company 2) as on the Record Date.

No shares shall be issued by AGIL (the Resulting Company 1) in respect of the shares held by AGIL (the Resulting Company 1) or any of its subsidiaries in ICIPL (the Demerged Company 2).

- iii) to each shareholder of CCIL (the Demerged Company 3), **695 (Six Hundred Ninety Five)** fully paid up equity shares of INR 10 (Indian Rupees Ten) each of AGIL (the Resulting Company 1) for every **426 (Four Hundred**



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Twenty Six) equity shares of INR 10 (Indian Rupees Ten) each in CCIL (the Demerged Company 3) held by such shareholder whose name is recorded in the register of members and records of the depository as members of CCIL (the Demerged Company 3) as on the Record Date.

No shares shall be issued by AGIL (the Resulting Company 1) in respect of the shares held by AGIL (the Resulting Company 1) or any of its subsidiaries in CCIL (the Demerged Company 3).

- iv) Clauses 12.1 to 12.4 of the Scheme provides that upon coming into effect of Part II of this Scheme, INR 15,00,00,000 (Rupees Fifteen Crores) shall stand transferred from the authorised capital of the Demerged company 3 and get combined with the authorised capital of the Resulting Company 1. The RD has raised objections to the same. We agree with the response of the Applicant companies as the transfer of the authorised capital is not prohibited under the provisions of the Companies Act, 2013. However, the Applicants will be required to pay the fees and stamp duty, as applicable, to the transfer of authorised capital.

xii) **Consideration (Slump Sale):**

- i) Upon Part III of the Scheme coming into effect and in consideration for the Slump Sale of the Marbles & Quartz Undertaking, AmCL (the Resulting Company 5) shall pay a consideration of **Rs. 102 crores (Rupees One Hundred and Two Crores)** to AGIL (the



Demerged Company 4).

- ii) The consideration for the transfer of the Marbles & Quartz Undertaking, as mentioned in Clause 19.1 above, shall be payable by AmCL (the Resulting Company 5) to AGIL (the Demerged Company 4), in one or more tranches, with or without interest, within a period of not more than 7 years.

xiii) **Consideration (Merger)**

Upon Part IV of the Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, AmCL (the Transferee Company) shall, without any further application, act, deed, consent, instrument, issue and allot, to each shareholder of AGLIL (the Transferor Company) whose name is recorded in the register of members of AGLIL (the Transferor Company) on the Record Date, in the following proportion:

283 (Two Hundred and Eighty Three) fully paid up optionally convertible preference shares of INR 100 (Indian Rupees Hundred) each at face value of INR 10 (Indian Rupees Ten) each and a premium of INR 90 (Indian Rupees Ninety) each of AmCL (the Transferee Company) as per terms and conditions as listed in Annexure-2 to the Scheme shall be issued and allotted, credited as fully paid up, for every **444 (Four Hundred and Forty Four)** equity shares of INR 10 (Indian Rupees Ten) each held in AGLIL (the Transferor



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Company).

No shares shall be issued by AmCL (the Transferee Company) in respect of the shares held by AmCL (the Transferee Company) or any of its subsidiaries in AGLIL (the Transferor Company).

- xiv) The Petitioner Companies are further directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with e-form INC-28 in addition to a physical copy within 30 days from the date of issuance of the certified copy of the Order by the Registry as per relevant provisions of the Act.
- xv) The Petitioner Companies within thirty days of the date of the receipt of this order, cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the respective Undertakings of the respective Demerged Companies shall stand transferred to the respective Resulting Companies and the entire Undertaking of the Transferor Company shall stand transferred to the Transferee Company and the Registrar of Companies shall place all documents relating to the said Undertakings of the Demerged Companies and the entire Undertakings of the Transferor Company to the respective files kept by him in relation to the Resulting Companies and Transferee Company.



- xvi) All concerned Authorities shall act on the copy of this order along with the Scheme annexed at "**Annexure-T**" of the Company Petition. The Registrar of this Tribunal shall issue the certified copy of this order within 7 days of its pronouncement.
- xvii) The Petitioner Companies are directed to lodge a copy of this Order and the approved Scheme as annexed at '**Annexure-T**', duly Certified by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for adjudication of stamp duty within 30 days from the date of this Order, and pay requisite stamp duty payable, if any, within 60 days from the date of adjudication.
- xviii) The legal fees and expenses of the office of the Regional Director are quantified at Rs.1,00,000/-, to be paid collectively by the Petitioner Companies. The said fees shall be paid by the Transferee Company.
- xix) The legal fees and expenses of the office of the Official Liquidator are quantified at Rs.20,000/- in respect of the Transferor Company. The said fees of the Official Liquidator shall be paid by the Transferee Company.
- xx) The Statutory Auditors of the Petitioner Companies are hereby directed to ensure that the Accounting Treatment as a result of this order is carried out in accordance with the provisions of Section 133 of the Companies Act, 2013, and as per the draft treatment



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as proposed in the Scheme. They are further directed to disclose their observations in this regard in the next Annual Audit Report/Audit Report of the Petitioner Companies.

- xxi) The Income Tax Department will be free to examine the aspect of any tax payable as a result of the sanction of the Scheme and if it is found that the Scheme of Arrangement ultimately results in tax avoidance or is not in accordance with the applicable provisions of Income Tax Act, then the Income Tax Department shall be at liberty to initiate appropriate course of action as per law. Any sanction of the Scheme of Arrangement under Sections 230-232 of the Companies Act, 2013 shall not adversely affect the rights of Income Tax Department or any past, present or future proceedings and the sanction of the scheme shall not come in its way for the appropriate course of action as per law for the tax liabilities, if any. This direction is issued to take into account the objections of the Income Tax Department regarding the proceedings on account of search and seizure action carried out in the Group in the year 2022.

- xxii) Any person aggrieved shall be at liberty to apply to this Tribunal for any directions that may be necessary.



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24. Accordingly, Company Petition i.e. **CP(CAA)/3(AHM)2025** in **CA(CAA)/41(AHM)2024**, stands allowed and disposed of in terms of the aforementioned terms.

25. The Registry is directed to send a copy of this order to the Regional Director, the Registrar of Companies, the Official Liquidator, the Reserve Bank of India, BSE, NSE and the Income Tax Department, within seven days from the date of this order, through e-mail and place proof on the file.

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SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

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SHAMMI KHAN
MEMBER (JUDICIAL)

Prepared by Bhanik
Signature [Signature]
Date 20/06/25

Certified to be True Copy of the Original
Deputy Registrar
NCLT, Ahmedabad Bench
Ahmedabad

Date of promulgation of Order: 20/06/25
Date on which application for Certified Copy was made: 20/06/25
Date on which Certified Copy was ready: 20/06/25
Date on which Certified Copy delivered: 20/06/25

