Asian Granito India Ltd.
Regd. & Corp. Office:
202, Dev Arc, Opp. Iskcon Temple, S. G. Highway,
Ahmedabad-380015. Gujarat, India.
Tel.: +91 79 66125500/698,
Fax.: +91 79 66125600/66058672
info@aglasiangranito.com • www.aglasiangranito.com
CIN No. L17110GJ1995PLC027025

AGL TILES WORLD
Asian Granito India Ltd.

Date: 23.02.2016

To,
Corporate Relations Department,
Bombay Stock Exchange Limited,
2nd Floor, P.J Towers,
Dalal Street,
Mumbai-400 001

Scrip Code: 532888

To,
Corporate Relations Department
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No., C/1, G-Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051
Scrip Code: ASIANTILES

Dear Sir,

Subject: Intimation of notices sent to shareholders for Court convened Meeting of Shareholders and Secured Creditors of the Company.

Pursuant to Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We wish to intimate that the Notice has been sent to all the shareholders and the secured creditors of the Company that separate meetings shall be called and convened on Friday, the 18th day of March, 2016 at 11:00 a.m. and 02:00 p.m. respectively at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad 380015 as per the Order of the Honorable High Court of Gujarat dated 15th day, of February, 2016 for the purpose of considering and if thought fit, approving with or without modification the arrangement embodied in the Scheme of Arrangement between Artistique Ceramics Private Limited And Asian Granito India Limited.

The copy of Notice along with the scheme of arrangement, the copy of explanatory statement, form of proxy, etc. sent to the shareholders is enclosed herewith for your reference.

Please take the above on record.

Thanking you,
Yours faithfully,

For Asian Granito India Limited

Asian Granito India Limited Ahmedabad

Director
DIN:00229700

Encl: As above

ASIAN GRANITO INDIA LIMITED

CIN No: L17110GJ1995PLC027025

Registered Office: 202, Dev Arc, Opp. Iskon Temple, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015

Ph. No.: 079-66125500 / 698; Fax.: 079-66125600 / 66058672

email id: cs@aglasiangranito.com; website: www.aglasiangranito.com

Court Convened Meeting of Equity shareholders

Day	:	**Friday**
Date	:	**18th March 2016**
Time	:	**11:00 A.M.**
Venue	:	**AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015**

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY APPLICATION No. 55 OF 2016

In the matter of Companies Act, 1956

And

In the matter of

Section 391 to 394 of the Companies Act, 1956

And

In the matter of Asian Granito India Limited

And

In the matter of Scheme of Amalgamation

Of

Artistique Ceramics Private Limited (Transferor Company)

Into

Asian Granito India Limited (Transferee Company)

Asian Granito India Limited, a company incorporated)
Under the provisions of the Companies Act, 1956, and)
Having its registered office situated at 202, Dev Arc,)
Opp. Iskon Temple, S.G. Highway,)
Ahmedabad – 380 015)
……..Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

To,
The Equity Shareholders of
Asian Granito India Limited ("the Company" or "Applicant Company" or "AGIL")

TAKE NOTICE that by an Order made on 15th February, 2016, in the above mentioned Company Summons for Direction (the "Order"), the Hon'ble High Court of Gujarat at Ahmedabad has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380015 on Friday, March 18, 2016 at 11:00 A.M. to consider, and, if thought fit, approve with or without modification(s), the proposed Scheme of Amalgamation of Artistique Ceramics Private Limited into Asian Granito India Limited **("Scheme"):**

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Hon'ble High Court of Gujarat, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Gujarat or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the Scheme of Amalgamation of Artistique Ceramics Private Limited with Asian Granito India Limited and their respective shareholders ("Scheme") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby jointly and severally authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which

may be required and/or imposed by the Hon'ble High Court of Gujarat while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may be deemed fit and proper."

TAKE FURTHER NOTICE that in pursuance of the Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company, will be held at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat380 015 on Friday, March 18, 2016 at 11.00 A.M. (the "Meeting"), at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the Meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Applicant Company at 202, Dev Arc, Opp. Iskon Temple, S.G. Road, Ahmedabad-380 015 not later than 48 hours before the time of the Meeting.

The Hon'ble High Court has appointed Mr. Kamleshbhai Patel, Chairman and Managing Director of the Applicant Company, failing him, Mr. Mukeshbhai Patel, Managing Director of the Applicant Company, failing him, Mr. Kalidasbhai Patel, Chief Financial Officer of the Applicant Company to be the Chairman of the Meeting.

A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956, Form of Proxy and Attendance Slip are enclosed.

Sd/-
Kamlesh Patel
Chairman appointed for meeting

Place: Ahmedabad
Date : 16-02-2016

CIN: L17110GJ1995PLC027025

Registered Office:
202, Dev Arc, Opp. Iskon Temple, S.G. Road, Ahmedabad – 380 015

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorized Representative under Sections 112 and 113 of the Companies Act, 2013) at the Equity Shareholders' meeting. The Authorized Representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
3. Foreign Institutional Investors (FIIs) who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of power of attorney, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
4. The proxy need not be a member of the Applicant Company.
5. A Member or his Proxy is requested to bring the copy of the notice to the meeting and produce the attendance slip, duly completed and signed, at the entrance of the meeting venue.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID number for easy identification of attendance at the meeting.
7. Members are informed that in case of joint holders attending the meeting only such joint holder whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
8. The notice is being sent to all members, whose names appeared in the Register of Members as on February 12, 2016. This notice of the Court Convened Meeting of members of the Applicant Company is also displayed/posted on the website of the Applicant Company www.aglasiangranito.com

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 55 OF 2016

In the matter of Companies Act, 1956

And

In the matter of

Section 391 to 394 of the Companies Act, 1956

And

In the matter of Asian Granito India Limited

And

In the matter of Scheme of Amalgamation

Of

Artistique Ceramics Private Limited (Transferor Company)

Into

Asian Granito India Limited (Transferee Company)

Asian Granito India Limited, a company incorporated)
Under the provisions of the Companies Act, 1956, and)
Having its registered office situated at 202, Dev Arc,)
Opp. Iskon Temple, S.G. Highway,)
Ahmedabad – 380 015)
……..Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

1. This is a statement accompanying the Notice convening the meeting of the Equity Shareholders of the Applicant Company, pursuant to an Order dated 15th February, 2016 passed by the Hon'ble High Court of Gujarat in the Company Summons for Direction referred to hereinabove, to be held at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015, on Friday, March 18, 2016 at 11:00 A.M., for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation embodied in the Scheme of Amalgamation of Artistique Ceramics Private Limited **("ACPL" or "Transferor Company")** into Asian Granito India Limited **("Applicant Company" or "AGIL" or "Transferee Company") ("Scheme")**. The other definitions contained in the Scheme shall also apply to this Explanatory Statement.

2. A copy of the Scheme, setting out in detail terms and conditions of the amalgamation, inter alia, providing for amalgamation of ACPL into AGIL, which has been duly approved by the Board of Directors of the Applicant Company at its meeting held on August 24, 2015, is attached to this Explanatory Statement.

Background of the Companies:

2.1. Asian Granito India Limited

1. Asian Granito India Limited is a public listed company incorporated under the provisions of Companies Act, 1956 in the State of Gujarat and having its registered office at 202, Dev Arc, Opp. Iskon Temple, Ahmedabad – 380 015, Gujarat. Transferee Company was originally incorporated on August 8, 1995 as a private limited company under the name and style of Karnavati Fincap Private Limited as per certificate of registration issued by Registrar of Companies, Gujarat Dadra & Nagar Haveli. Subsequently, the Transferee Company was converted into a public limited company and consequently the name of Transferee Company was changed to Karnavati Fincap Limited with effect from August 29, 1995. Subsequently, the name of the Transferee Company was again changed to Panchariya Textile Industries Limited with effect from March 18, 1999. Further again, the name of the Transferee Company was changed to Vasudev Textile Industries Limited with effect from July 28, 2000. Again subsequently, the name of the Transferee Company was changed to Asian Granito India Limited with effect from November 25, 2002. Equity shares of Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Transferee Company is engaged in the business of manufacturing tiles, glaze tiles, ceramic tiles, mosaic tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, China tiles and ceramic products. Its manufacturing facility is in Sabarkantha district of Gujarat.

2. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Applicant Company as on 1st July 2015 i.e. appointed date is as under:

Asian Granito India Limited (Applicant Company)

Asian Granito India Limited

Particulars	Amount in Rs.
Authorized Share Capital	
3,12,50,000 Equity shares of Rs. 10 each	31,25,00,000
Issued, Subscribed and Paid-up Capital	
2,25,82,541 Equity shares of Rs. 10 each	22,58,25,410

There has been no change in the capital structure of the Applicant Company as on date since then.

3. The equity shares of AGIL are listed on BSE Limited and National Stock Exchange of India Limited.

4. The main objects of AGIL as listed out in its Memorandum of Association are as under:

a) To carry on in India or elsewhere in the world with or without collaboration the business to manufacturer, prepare, process, crush, cut, clean, blend, mix, excavate, pack, repack, design, store, paint, sell, purchase, trade, market, import, export, job work to act as manufacturer representatives and otherwise deal in tiles, glaze tiles, ceramic tiles, mosaic tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, skirtings, china tiles and ceramic products.

b) To establish, own, run, maintain, generate, accumulate, receive, produce, improve, promote, develop, operate, employ, convert, transmit, distribute, handle, protect, buy, sell, re-sell, acquire, use, supply, lease and to act as agent, broker, distributor, supplier, representative, consultant, collaborator, vendor, buyer, seller, exporter, importer or otherwise to deal in electric / wind power or any other energy in all its branches or such place or places as may be permitted by appropriate authorities by the establishment of wind power plants, wind mills, wind and tidal waves, wind turbine generators, thermal power plants, hydraulic power plants, atomic power plants, solar power plants and other power plants based on conventional / nonconventional and any other source of energy.

2.2. Artistique Ceramics Private Limited

5. Artistique Ceramics Private Limited is a private limited company incorporated under the provisions Companies Act, 1956 in the State of Gujarat on May 21, 2004 and having its registered office at Plot No. 767, JTI, Kheda Dholka Highway, Village Radhu, Radhu – 387 560, Gujarat. Transferor Company is engaged in the business of manufacturing of ceramic glaze tiles. Its manufacturing facility is located in Kheda district of Gujarat.

6. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Applicant Company as on 1st July 2015 i.e. appointed date is as under:

Artistique Ceramics Private Limited

Artistique Ceramics Private Limited

Particulars	Amount in Rs.
Authorized Share Capital	
50,00,000 Equity shares of Rs. 10 each	5,00,00,000
Issued, Subscribed and Paid-up Capital	
31,58,572 Equity shares of Rs. 10 each	3,15,85,720

The Transferor Company has allotted 16,21,622 shares of Rs. 10 each on 3rd July 2015. Apart from that, there has been no change in authorized, issued, subscribed and paid-up share capital of the Transferor Company after July 1, 2015 till the date of passing of board resolution approving the Scheme. Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company post allotment of above referred shares is as under:

Artistique Ceramics Private Limited

Particulars	Amount in Rs.
Authorized Share Capital	
50,00,000 Equity shares of Rs. 10 each	5,00,00,000
Issued, Subscribed and Paid-up Capital	
31,58,572 Equity shares of Rs. 10 each	3,15,85,720
Add: 16,21,622 Equity shares of Rs. 10 each	1,62,16,220
47,80,194 Equity shares of Rs. 10 each	4,78,01,940
Total	**4,78,01,940**

There has been no change in the capital structure of the Transferor Company as on date since then.

7. The main objects of Artistique as listed out in its Memorandum of Association are as under:

a. To carry on business as manufacturers, dealers, exporters, importers, contractors, suppliers, stockiest, representatives, job workers, fabricators, distributors, traders, sellers, buyers, consignors, consignees, factors, agents and/or consultants of any or all classes, kinds, types, nature and description of goods, articles, things, commodities and materials, including and without limiting the generality thereof including that of Ceramic items, Sanitary Wares, Floor/Wall Tiles, Construction materials, Moulded Glass, Small Wares, Glass Mosaic, Glass Bricks, Decorative Glass Items, Frits, Colours, Stains, Bricks, Bathroom Fittings and Fixtures, Flushing Cisterns, Commodes, Washbasins, Tappa, Gandi, Tub, Bathtub, Pipes, Tubes and accessories of plastic, glass or any other materials.

3. Background of the Scheme

The Scheme provides for, inter alia, for:

a) The amalgamation of ACPL into AGIL;

b) Issuance of equity shares of AGIL as consideration for amalgamation of ACPL into AGIL to the shareholders of ACPL based on swap ratio determined by independent Chartered Accountants;

c) Transfer of all assets and liabilities of ACPL to AGIL; and

d) Dissolution of ACPL without winding up in accordance to Sections 391 to 394 of the Companies Act, 1956.

4. Rationale of the Scheme

This Scheme envisages the amalgamation of ACPL into AGIL, resulting in consolidation of the business in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the two companies. Accordingly, it would be in the best interests of the Transferor Company and the Transferee Company and their respective shareholders. The proposed amalgamation of ACPL into AGIL is in line with the global trends to achieve size, scale, integration and greater financial strength and flexibility and in the interests of maximizing shareholder value. The merged entity is likely to achieve higher long-term financial returns that could not be achieved by the companies individually. The Transferor Company and the Transferee Company believe that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Company and the Transferee Company pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth. Therefore, the management of the Transferor Company and the Transferee Company believe that this Scheme shall benefit the respective companies and other stake holders of respective companies, inter-alia, on account of the following reasons:

a) Enable Transferee Company to use the resources of Transferor Company and generate synergy in operations;

b) Increase in net worth of Transferee Company, which will facilitate effective and fast mobilization of financial resources for meeting increased capital expenditure;

c) Reduction of overheads and other expenses, facilitate administrative convenience and ensure optimum utilization of available services and resources.

Moreover, it will lead to the enhancement in the reputation of the brand “AGL” in all spheres in the ceramic tiles sector in India. The proposed amalgamation and vesting of ACPL into AGIL, with effect from the Appointed Date is in the interest of the shareholders, creditors, stakeholders and employees, as it would enable a focused business approach for the maximization of benefits to all stakeholders and for the purposes of synergies of business.

5. Salient features of the Scheme

a) The Scheme envisages the amalgamation of Transferor Company with Transferee Company pursuant to Section 391 to 394 of the Companies Act, 1956 on a going concern basis in the manner provided for in the Scheme.

b) The Scheme shall be effective from Appointed Date i.e. 1st July 2015 and would come into effect from the date on which certified copies of the orders passed by the Hon’ble High Court of Gujarat is filed with the Registrar of Companies, Gujarat at Ahmedabad.

c) With effect from the Appointed Date, the Transferor Company along with its all assets and liabilities shall stand merged with the Transferee Company, as a going concern, pursuant to the provisions of Sections 391 to 394 of the Act, together with all the properties, assets, rights, liabilities, benefits and interest therein.

d) Upon this Scheme becoming effective and as consideration of the Scheme, the Transferee Company shall issue and allot to its equity shares, credited as fully paid up, to the extent indicated below, to the equity shareholders of Transferor Company and whose name appear in the register of members of the Transferor Company on the Record Date:

“157 (One hundred and fifty seven) equity shares of face value of Rs.10/- at par each fully paid-up of Transferee Company for every 100 (One hundred) equity shares of face value of Rs.10/- each fully paid-up held in Transferor Company.”

e) Upon sanction of the scheme, the authorized share capital of the Transferor Company shall be deemed to be added to the authorized share capital of Transferee Company. Consequent to scheme becoming effective, authorized share capital of the Transferee Company will be 3,62,50,000 equity shares of Rs. 10/- each amounting to Rs. 36,25,00,000.

f) On and from the Effective Date, all employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions not less favorable than those on which they are engaged by the Transferor Company as on the Effective Date.

g) With effect from the date of passing of the board resolution for approving the Scheme i.e. 24th August 2015, Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities for and on account of and in trust for the Transferee Company. Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

h) All suits, writ petition, appeal, revision or other proceedings of whatever nature by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of all assets and liabilities of the Transferor Company or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

i) On the Scheme becoming effective, the Transferor Company shall be dissolved without winding up in accordance with the provisions of Section 391 to 394 of the Act.

j) The Scheme is conditional upon and subject to the approvals and / or sanctions laid down in Clause 14 of the Scheme.

Please note that the features set out above being only the salient features of the Scheme of Amalgamation; the Equity Shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

6. Board Meeting, Valuation Report and Fairness Opinion

a) The Proposed Scheme of Amalgamation was approved by the Board of Directors of the Applicant Company at the meeting held on August 24, 2015 after considering the recommendations of the Audit Committee. The Applicant Company has obtained a Fairness Opinion dated August 22, 2015 of an independent Merchant Banker, Keynote Corporate Services Limited and a Certificate dated August 21, 2015 issued by Independent Chartered Accountant, N.C. Vaishnav & Co, recommending fair equity share exchange ratio for the purpose of proposed merger of ACPL into AGIL.

b) The applicant Company has also obtained Certificate dated August 22, 2015 of the statutory Auditor of the Company namely A.L. Thakkar & Co. certifying undertaking in relation to non-applicability of paragraph 5.16 (a) of circular no CIR/CFD/DIL/5/2013 issued by Securities and Exchange Board of India (SEBI) on February 4, 2013 as amended by Circular No CIR/CFD/DIL8/2015 dated May 21, 2013.

c) In accordance with the Circular No. CIR/CFD/DIL/5/2013 issued by SEBI on February 4, 2013 as amended vide Circular No. CIR/CFD/DIL/ 8/2013 dated May 21, 2013; the Audit Committee of the Applicant Company had on August 24, 2015 recommended the proposed Scheme of Amalgamation for approval of the Board.

7. Capital Structure – Pre and Post Amalgamation

Pre and Post Amalgamation Capital Structure of Asian Granito India Limited is as follows:

Particulars		Pre- Amalgamation as on 1st June 2015		Post – Amalgamation	
		No. of shares	Amount (Rs.)	No. of shares	Amount(Rs.)
A	**Authorized Share Capital**				
	Equity Shares of Rs. 10 each, fully paid-up	3,12,50,000	31,25,00,000	3,62,50,000	36,25,00,000
	Total	**3,12,50,000**	**31,25,00,000**	**3,62,50,000**	**36,25,00,000**
B	**Issued, Subscribed and Paid-up Share Capital**				
	Equity shares of Rs. 10 each, fully paid-up	2,25,82,541	22,58,25,410	3,00,87,446	30,08,74,460

Pre-amalgamation capital structure of ACPL is mentioned in paragraph 3.2. On the Scheme becoming effective, ACPL shall be dissolved without being wound up and without any further act by the parties to this Scheme.

8. Pre and Post Amalgamation Shareholding Pattern

Pursuant to Listing Agreement entered into with stock exchanges, the Pre-Amalgamation and the Post-Amalgamation shareholding pattern of Asian Granito India Limited and Pre-Amalgamation shareholding of Artistique Ceramics Private Limited is given below:

Code	Category of Shareholders	Transferee Company (AGIL) Pre-Amalgamation		Transferee Company (AGIL) Post-Amalgamation		Transferor Company (ACPL) Pre-Amalgamation	
		No of Shares	As percentage of total capital	No of Shares	As percentage of total capital	No of Shares	As percentage of total capital
(A)	**Shareholding of Promoter and Promoter Group**						
(1)	**Indian**						
(a)	Individuals / HUF	8472608	37.52	8472608	28.16	1980000	41.42
(b)	Central/State Government	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	2800194	58.58
(d)	Financial Institutions/Banks	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0
	Sub Total (A)(1)	**8472608**	**37.52**	**8472608**	**28.16**	**4780194**	**100.00**

Code	Category of Shareholders	Transferee Company (AGIL) Pre-Amalgamation		Transferee Company (AGIL) Post-Amalgamation		Transferor Company (ACPL) Pre-Amalgamation	
		No of Shares	As percentage of total capital	No of Shares	As percentage of total capital	No of Shares	As percentage of total capital
2	**Foreign**						
(a)	Individuals (Non-Resident Individuals / Foreign Individuals	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0
	Sub Total (A)(2)	**0**	**0**	**0**	**0**	0	0
	Total Shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)	**8472608**	**37.52**	**8472608**	**28.16**	**4780194**	**100.00**
(B)	**Public Shareholding**						
1	**Institutions**						
(a)	Mutual Funds/UTI	0	0	0	0	0	0
(b)	Financial Institutions/Banks	29466	0.13	29466	0.10	0	0
(c)	Central/State Government(s)	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0
(f)	Foreign Institutional Investor	580000	2.57	580000	1.93	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0
(h)	Qualified Foreign Investor	0	0	0	0	0	0
(i)	Any Other(specify)	0	0	0	0	0	0
	Sub-Total (B)(1)	**609466**	**2.70**	**609466**	**2.03**	0	0
(2)	**Non Institutions**						
(a)	Bodies Corporate	3118975	13.81	7515280	24.98	0	0
(b)	Individuals						
i)	Holding nominal share capital upto Rs. 1 Lakh	2714978	12.02	2714978	9.02	0	0
ii)	Holding nominal share capital in excess of Rs. 1 Lakh	7306674	32.26	10415274	34.62	0	0
(c)	Qualified Foreign Investor	0	0	0	0	0	0
(d)	Any Other (specify)						
(d-i)	Clearing member	273602	1.21	273602	0.91	0	0
(d-ii)	NRI (Repat)	78455	0.35	78455	0.26	0	0
(d-iii)	NRI (Non Repat)	7783	0.03	7783	0.03	0	0
	Sub-Total (B)(2)	**13500467**	**59.78**	**21005372**	**69.81**	**0**	**0**
	Total Public Shareholding (B) = (B)(1) + (B)(2)	**14109933**	**62.48**	**21614838**	**71.84**	**0**	**0**
	Total (A)+(B)	**22582541**	**100.00**	**30087446**	**100.00**	**4780194**	**100.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**						
1	Promoter and Promoter Group	0	0	0	0	0	0
2	Public	0	0	0	0	0	0
	Sub-Total (C)	**0**	**0**	**0**	**0**	**0**	**0**
	Grand Total = (A)+(B)+(C)	**22582541**	**100.00**	**30087446**	**100.00**	**4780194**	**100.00**

9. Extent of Shareholding of Directors and Key Managerial Personnel

a) There are no common Directors in the Applicant Company and the Transferor Company.

b) None of the Directors or Key Managerial Personnel (KMPs) (including their relatives) of the Applicant Company hold any shares in Transferor Company.

c) None of the Directors or KMPs of the Transferor Company, or their relatives, have any material interest in the Scheme except to the extent of shares held by them in the Applicant Company.

d) The effect of the Scheme on interests of the Directors and KMPs and their relatives, is not any different from the effect of the Scheme on like interests of other persons.

e) The shareholding of the present Directors and KMPs of the Transferor Company in the Applicant Company and Transferor Company is as under:

Sr. No.	Name of Director	Designation	Shares in ACPL	Shares in AGIL
1	Dipakbhai N. Patel	Director	4,08,500	51,900
2	Maheshbhai M. Patel	Director	Nil	52,505

f) The shareholding of the relatives of present Directors and KMPs of the Transferor Company in the Applicant Company and Transferor Company is as under:

Sr. No.	Name of Relative of Dipakbhai N. Patel	Relation	Shares in ACPL	Shares in AGIL
1	Narayanbhai M. Patel	Father	Nil	1,24,440
2	Girishbhai N. Patel	Brother	Nil	43,750
3	Ritaben D. Patel	Wife	Nil	26,000
4	Narayanbhai M. Patel-HUF*		Nil	29,100
5	Girishbhai N. Patel-HUF*		Nil	36,700
6	Dipakbhai N. Patel-HUF*		Nil	34,500

Sr. No.	Name of Relative of Maheshbhai M. Patel	Relation	Shares in ACPL	Shares in AGIL
1	Mavabhai S. Patel	Father	Nil	81,670
2	Kamleshbhai M. Patel	Brother	Nil	59,530
3	Nirupaben M. Patel	Wife	Nil	20,000
4	Kamleshbhai M. Patel-HUF*		Nil	8,500

*Holding shares on behalf of HUF

a) The shareholding of present Directors and KMPs of the Applicant Company in the Applicant Company and Transferor Company is as under:

Sr. No.	Name of Director / KMP	Designation	Shares in ACPL	Shares in AGIL
1	Kamleshbhai B. Patel	Chairman and Managing Director	Nil	24,38,768
2	Sureshbhai J. Patel	Director	Nil	11,22,793
3	Bhogilal B. Patel	Director	Nil	2,42,299
4	Kanubhai B. Patel	Director	Nil	1,53,299
5	Mukeshbhai J. Patel	Managing Director	Nil	17,15,619
6	Maganlal Prajapati	Director	Nil	Nil
7	Shankerlal K. Patel	Director	Nil	Nil
8	Ajendrakumar N. Patel	Director	Nil	Nil
9	Amrutbhai I. Patel	Director	Nil	Nil
10	Bhaveshbhai V. Patel	Director	Nil	1,82,340
11	Premjibhai R. Chaudhari	Director	Nil	Nil
12	Indira Nityandandam	Director	Nil	Nil
13	Renuka A. Upadhyay	Secretary	Nil	Nil
14	Kalidas J. Patel	CFO	Nil	93,310

b) There are certain unsecured loans given by Directors of Transferor Company to it, details of which are as under:

Sr. No.	Name of Director	Designation	Loan given to ACPL in INR
1	Maheshbhai M. Patel	Director	22,50,000

10. Approvals

a) Pursuant to the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013, circular number CIR/CFD/ DIL/8/2013 dated May 21, 2013 read with circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, all issued by the Securities and Exchange Board of India ("SEBI Circular") read with Clause 24(f) of the Listing Agreement, the Applicant Company had filed necessary applications before the BSE Limited and National Stock Exchange of India Limited seeking their no-objection to the Scheme. The Applicant Company received Observation Letters dated January 15, 2016 from BSE Limited and National Stock Exchange of India Limited conveying its no-objection to the Scheme. Copies of the aforesaid observation letters are enclosed herewith.

b) As required by the SEBI Circular, the Applicant Company has filed the Complaints Report (indicating NIL complaint) with BSE Limited and with National Stock Exchange of India Limited on October 06, 2015. After filing of the Complaints Report, the Applicant Company has received NIL complaints. A copy of the aforementioned Complaints Report is enclosed herewith.

11. General

a) Under Section 391 of the Companies Act, 1956, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the members present and voting either in person or by proxy at the meeting. A proxy form is enclosed. It is hoped that in view of the importance of the business to be transacted, you will personally attend the meeting. The signing of the form or forms of Proxy will, however, not prevent you from attending and voting in person, if you desire.

b) The Scheme is not prejudicial to the interests of the members of the Applicant Company. Pursuant to this Scheme becoming effective, the Transferor Company (i.e. ACPL) will stand dissolved without winding up. By virtue of this Scheme becoming effective there would be no change in control of the Applicant Company or in the constitution of its Board of Directors.

c) The financial position of the Applicant Company will not be adversely affected by this Scheme. Further, the rights and interests of the shareholders and creditors (secured and unsecured) of either of the companies will not be prejudicially affected by this Scheme as the Applicant Company, post this Scheme, will be able to meet its liabilities as they arise in the ordinary course of business.

d) The latest audited accounts of the Applicant Company as on 31st March, 2015 and 30th June 2015 indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the concerned companies would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. The Net-Worth Certificate confirming the same is available for inspection. Hence, the amalgamation will not cast any additional burden on the shareholders or creditors of either company, nor will it affect the interest of any of the shareholders or creditors.

e) The Directors of the Applicant Company have no material interest in the Scheme.

f) There are no winding up proceedings pending against the Applicant Company as of date.

g) No investigation or proceedings have been instituted or are pending in relation to the Applicant Company under Section 235 to 251 of the Act and corresponding provisions of Companies Act, 1956 notified thereto.

h) In the event of any of the sanctions and approvals referred to in this Scheme not being obtained and/or this Scheme not being sanctioned by the Hon'ble High Court or such other competent authority and/or the order or orders not being passed as aforesaid before June 30, 2017, the Scheme shall stand revoked, cancelled and be of no effect.

i) Inspection of the following documents may be held by the Equity Shareholders of the Applicant Company at the Registered Office of the Applicant Company on any working day (including Saturdays) prior to the date of the meeting between 11.00 a.m. to 1.00 p.m.

   i. Copy of the Order dated 15th February, 2016 of the Hon'ble High Court of Gujarat passed in Company Application No. 55 of 2016 directing the convening of the meeting of the Equity Shareholders of AGIL;

   ii. Copy of the Company Application No. 55 of 2016;

   iii. Memorandum of Association and Articles of Association of AGIL and ACPL;

   iv. Audited Financial Statements of ACPL and AGIL for last three financial years ended March 31, 2015, March 31, 2014 and March 31, 2013;

   v. Register of Director's Shareholdings of AGIL;

   vi. Copy of the Observation Letters dated January 15, 2016 received from BSE Limited and National Stock Exchange of India Limited;

   vii. Copy of the Complaints Report dated October 06, 2015 filed with BSE Limited and National Stock Exchange of India Limited;

   viii. Certificate dated August 21, 2015 issued by Independent Chartered Accountants, M/s. N.C. Vaishnav & Co. and;

   ix. Fairness Opinion dated August 22, 2015 issued by Keynote Corporate Services Limited;

   x. Certificate dated August 27, 2015 issued by the statutory Auditors M/s. A.L. Thakkar & Co. towards pre-merger and post-merger net worth.

   xi. Certificate dated August 22, 2015 issued by the statutory Auditors M/s. A.L. Thakkar certifying undertaking in relation to non-applicability of Para 5.16 of SEBI circular dated February 4, 2013 and May 21, 2013.

j) This statement may be treated as an Explanatory Statement pursuant to Section 393 of the Companies Act, 1956.

k) A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (including Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company situated at 202, Dev Arc, Opp. Iskon Temple, S.G. Road, Ahmedabad - 380015 and/or at the Advocate appearing for the Applicant Company having her office at 301, 3rd Floor, Shivalik-10, Opp. SBI Zonal Office, Nr. Excise Chowky, Nr. S.M. Road, Ahmedabad – 380 015.

Sd/-
Kamleshbhai Patel
Chairman appointed for the meeting

Place: Ahmedabad
Date: 16-02-2016
CIN: L17110GJ1995PLC027025
Registered office:
202, Dev Arc, Opp. Iskon Temple, S.G. Road, Ahmedabad – 380 015

SCHEME OF AMALGAMATION

(UNDER SECTION 391 TO 394 OF THE COMPANIES ACT, 1956 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 AND COMPANIES ACT, 2013)

OF

ARTISTIQUE CERAMICS PRIVATE LIMITED

(TRANSFEROR COMPANY)

INTO

ASIAN GRANITO INDIA LIMITED

(TRANSFEREE COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I

INTRODUCTION

(A) **Artistique Ceramics Private Limited** (hereinafter referred to as **"Artistique"** or **"Transferor Company"**) is a private limited company incorporated under the provisions Companies Act, 1956 in the State of Gujarat on May 21, 2004 and having its registered office at Plot No. 767, JTI, Kheda Dholka Highway, Village Radhu, Radhu – 387 560, Gujarat. Transferor Company is engaged in the business of manufacturing of ceramic glaze tiles. Its manufacturing facility is located in Kheda district of Gujarat.

The main objects of theTransferor Company are as follows:

1. To carry on business as manufacturers, dealers, exporters, importers, contractors, suppliers, stockiest, representatives, job workers, fabricators, distributors, traders, sellers, buyers, consignors, consignees, factors, agents and/or consultants of any or all classes, kinds, types, nature and description of goods, articles, things, commodities and materials, including and without limiting the generality thereof including that of Ceramic items, Sanitary Wares, Floor/Wall Tiles, Construction materials, Moulded Glass, Small Wares, Glass Mosaic, Glass Bricks, Decorative Glass Items, Frits, Colours, Stains, Bricks, Bathroom Fittings and Fixtures, Flushing Cisterns, Commodes, Washbasins, Tappa, Gandi, Tub, Bathtub, Pipes, Tubes and accessories of plastic, glass or any other materials.

(B) **Asian Granito India Limited** (hereinafter referred to as **"AGL"** or **"Transferee Company"**) is a public listed company incorporated under the provisions of Companies Act, 1956 in the State of Gujarat and having its registered office at 202, Dev Arc, Opp. Iskon Temple, Ahmedabad – 380 015, Gujarat. Transferee Company was originally incorporated on August 8, 1995 as a private limited company under the name and style of Karnavati Fincap Private Limited as per certificate of registration issued by Registrar of Companies, Gujarat Dadra & Nagar Haveli. Subsequently, the Transferee Company was converted into a public limited company and consequently the name of Transferee Company was changed to Karnavati Fincap Limited with effect from August 29, 1995. Subsequently, the name of the Transferee Company was again changed to Panchariya Textile Industries Limited with effect from March 18, 1999. Further again, the name of the Transferee Company was changed to Vasudev Textile Industries Limited with effect from July 28, 2000. Again subsequently, the name of the Transferee Company was changed to Asian Granito India Limited with effect from November 25, 2002. Equity shares of Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Transferee Company is engaged in the business of manufacturing tiles, glaze tiles, ceramic tiles, mosaic tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, China tiles and ceramic products. Its manufacturing facility is in Sabarkantha district of Gujarat.

The main objects of the Transferee Company are as follows:

1. To carry on in India or elsewhere in the world with or without collaboration the business to manufacturer, prepare, process, crush, cut, clean, blend, mix, excavate, pack, repack, design, store, paint, sell, purchase, trade, market, import, export, job work to act as manufacturer representatives and otherwise deal in tiles, glaze tiles, ceramic tiles, mosaic tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, skirtings, china tiles and ceramic products.

2. To establish, own, run, maintain, generate, accumulate, receive, produce, improve, promote, develop, operate, employ, convert, transmit, distribute, handle, protect, buy, sell, re-sell, acquire, use, supply, lease and to act as agent, broker, distributor, supplier, representative, consultant, collaborator, vendor, buyer, seller, exporter, importer or otherwise to deal in electric / wind power or any other energy in all its branches or such place or places as may be permitted by appropriate authorities by the establishment of wind power plants, wind mills, wind and tidal waves, wind turbine generators, thermal power plants, hydraulic power plants, atomic power plants, solar power plants and other power plants based on conventional / nonconventional and any other source of energy.

RATIONALE

(C) This Scheme (as defined hereinafter) envisages the amalgamation of Artistique into AGL, resulting in consolidation of the business in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the two companies. Accordingly, it would be in the best interests of the Transferor Company and the Transferee Company and their respective shareholders. The proposed amalgamation of Artistique into AGL is in line with the global trends to achieve size, scale, integration and greater financial strength and flexibility and in the interests of maximizing shareholder value. The merged entity is likely to achieve higher long-term financial returns that could not be achieved by the companies individually. The Transferor Company and the Transferee Company believe that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Company and the Transferee Company pooled

in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth. Therefore, the management of the Transferor Company and the Transferee Company believe that this Scheme shall benefit the respective companies and other stake holders of respective companies, inter-alia, on account of the following reasons:

i. Enable Transferee Company to use the resources of Transferor Company and generate synergy in operations;

ii. Increase in net worth of Transferee Company, which will facilitate effective and fast mobilization of financial resources for meeting increased capital expenditure;

iii. Reduction of overheads and other expenses, facilitate administrative convenience and ensure optimum utilization of available services and resources.

Moreover, it will lead to the enhancement in the reputation of the brand "AGL" in all spheres in the ceramic tiles sector in India

(D) The proposed amalgamation and vesting of Artistique into AGL, with effect from the Appointed Date is in the interest of the shareholders, creditors, stakeholders and employees, as it would enable a focused business approach for the maximization of benefits to all stakeholders and for the purposes of synergies of business.

(E) This Scheme is divided into the following parts:

i. Part I, which deals with the introduction and rationale of the Scheme;

ii. Part II, which deals with the Definitions and Share Capital;

iii. Part III, which deals with the merger of the Transferor Company into the Transferee Company;

iv. Part IV, which deals with the accounting treatment to the Transferor Company and the Transferee Company under this Scheme;

v. Part V, which deals with the general terms and conditions as applicable to this Scheme.

The scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART II

1. DEFINITIONS

In this Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meanings:-

1.1 "**Act**" means the Companies Act, 1956 read together with the notified provisions of Companies Act, 2013 including any statutory modifications, re-enactment rules, regulations, notifications, amendments or statutory replacement or re-enactmentor amendments thereof.it is being clarified that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and Transferee Company, Section 391 and 394 of the Companies Act, 1956 continue to be in force with corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particulars provisions of Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of Companies Act, 2013, such references shall, unless a different intention appears, to be construed as reference to the provisions so re-enacted.

1.2 **"Applicable Law"** shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, orders or instructions having the force of law enacted or issued by the any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.

1.3 "**Appointed Date**" means the opening hours of the business on 1st day of July, 2015 or such other date as may be approved by the High Court of Gujarat or any other appropriate authority.

1.4 **"Appropriate Authority"** means any governmental, statutory, departmental or public body of authority in India, including Securities and Exchange Board of India; stock exchanges in India; Registrar of Companies, Company Law Board in India, National Company Law Tribunal ("NCLT"), the High Court of Gujarat.

1.5 "**Board of Directors**" or **"Board"**in relation to Transferor Company and/or Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.

1.6 **"BSE"** means the BSE Limited.

1.7 "**Court**" or the "**High Court**" means the Hon'ble High Court of Gujarat or the NCLT as the case may be.

1.8 "**Effective Date**" means the date on which certified copies of the order passed by the Hon'ble High Court of Gujarat is filed with the Registrar of Companies, Gujarat at Ahmedabad after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefore.

1.9 **"IT Act"** means Income tax Act, 1961

1.10 **"Long Stop Date"** shall mean 30th June 2017.

1.11 **"NSE"** means the National Stock Exchange of India Limited.

1.12 **"Lender"** or **"Lenders"**mean any person or entity that has granted or will grant any credit facility whether fund based or non-fund based and whether secured or unsecured, to the Transferor Company or the Transferee Company.

1.13 **"Record Date"** means the date to be fixed by the Board of Directors of Transferee Company in consultation with the Board of the Transferor Company for the purpose of reckoning names of the equity shareholders of the Transferor Company who shall be entitled to shares of the Transferee Company in accordance with Clause 5.1 of this Scheme.

1.14 "**Scheme**" or **"the Scheme"** or **"this Scheme"**means this Scheme of Amalgamation in its present form or with any modification(s) submitted to the Hon'ble High Court of Gujarator any other appropriate authority in relevant jurisdictions with any modification(s) thereof and as approved or imposed or directed by the High Court of Gujarat or any other appropriate authority, as applicable.

1.15 **"SEBI"**means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.16 **"SEBI Circulars"** means Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 and Circular No. CIR/CFD/DIL/1/2014 dated March 25, 2014 (which provides clarifications with respect to the aforementioned circular) each issued by SEBI or any other circulars issued by SEBI applicable to a scheme of arrangement / amalgamation.

1.17 "**Stock Exchange**" shall have the same meaning as ascribed to it under the Securities Contract (Regulation) Act, 1956.

1.18 **"Stock Exchanges"** means National Stock Exchange of India Limited and BSE Limited.

1.19 **"Transferee Company"** means Asian Granito India Limited, a company incorporated under the provisions of Act and having its registered office at 202, Dev Arc, Opp. Iskon Temple, Ahmedabad – 380 015, Gujarat.

1.20 "**Transferor Company**" means Artistique Ceramics Private Limited, a company incorporated under the provisions of Act and having its registered office at Plot No. 767, JTI, Kheda Dholka Highway, Village Radhu, Radhu – 387 560, Gujarat.

1.21 **"The Undertaking**" means and includes :

a. all the assets and properties of the Transferor Company as on the Appointed Date i.e. all the undertakings, the entire business, all the properties (whether movable or immovable –freehold or leasehold, tangible or intangible), plant and machinery, buildings and structures, including any advances for acquisition of land, allotment letters, sanctions, approvals, permits granted by any government or any other authority, offices, residential and other premises, capital work in progress, furniture, fixture, office equipment, appliances, accessories, power lines, deposits, stocks, assets, investments of all kinds and in all forms, cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases, hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permissions, permits, quotas, rights, entitlements, guarantees, authorizations, approvals, agreements, contracts, leasers, licenses, registrations, tenancies, benefits, of all taxes including but not limited to Minimum Alternate Tax ("MAT") paid under Section 115JA/115JB of the Income Tax Act, 1961 ("IT Act"), advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, unutilized MAT credit under the provisions of the IT Act, right to claim deductions under Section Chapter VI-A of the IT Act including its continuing benefits; engagements, arrangements of all kinds, exemptions, benefits, incentives, privileges and rights under State tariff regulations and under various laws, all facilities and entitlements given by the Office of Development Commission, Special Economic Zones (SEZ) under the SEZ Act, 2005 and rules made there under, if any,loan agreements, titles, interests, trade and service names and marks, patents, copyrights, and other intellectual property rights to use and avail of telephones, telexes, facsimile, email, interest, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programs, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records, and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company or which have accrued to the Transferor Company as on the Appointed Date, whether in Indiaor abroad, of whatsoever nature and where-ever situated, (hereinafter referred to as the "Assets");

b. all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date (hereinafter referred to as the "Liabilities");

c. without prejudice to the generality of Sub-Clause (a) above, the Undertaking of the Transferor Company shall include all the Transferor Company's Reserves, the movable and immovable properties, assets, including mining leases, lease-hold rights, tenancy rights, industrial and other licenses, permits, authorizations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities, rights and benefits of all agreements, guarantees including guarantees given by the State Government(s), all facilities and entitlements given by the Office of Development Commission, Special Economic Zones (SEZ) under the SEZ Act, 2005 and rules made there under, deeds, bonds, insurance policies and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever's situate, if any belonging to or in the ownership, power or possession or control of the Transferor Company.

d. all earnest monies and/or security deposits paid by the Transferor Company.

e. all the employees of the Transferor Company who are willing to become the employees of the Transferee Company.

1.22 In this Scheme, unless the context otherwise requires:

a) Words denoting singular shall include plural and vice versa;

b) Reference in the Scheme to "coming into effect of the Scheme" or "effectiveness of the Scheme" or "upon the Scheme being effective" shall mean from the Effective Date;

c) Headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

d) References to the word "include" or "including" shall be construed without limitation;

e) A reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

f) Unless otherwise defined, reference to the word "days" shall mean calendar days;

g) Reference to dates and times shall be construed to be references to Indian dates and times;

h) Reference to an act, regulation, circular, notification or a document includes an amendment or supplement to, or modification or replacement or novation or re-enactment of such act, regulation, circular, notification or document; and

i) Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Gujarat, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on 1st July, 2015is as under :-

Share Capital	Amount in Rs.
Authorized Share Capital	
50,00,000 Equity shares of Rs. 10 each	**5,00,00,000**
TOTAL	5,00,00,000
Issued, subscribed and paid-up Share Capital	
31,58,572 Equity shares of Rs. 10 each	**3,15,85,720**
TOTAL	3,15,85,720

The Transferor Company has allotted 16,21,622 shares of Rs. 10 each on 3rd July 2015. Apart from that, there has been no change in authorized, issued, subscribed and paid-up share capital of the Transferor Company after July 1, 2015 till the date of passing of board resolution approving the Scheme. Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company post allotment of above referred shares is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
50,00,000 Equity shares of Rs. 10 each	**5,00,00,000**
TOTAL	5,00,00,000
Issued, subscribed and paid-up Share Capital	
31,58,572 Equity shares of Rs. 10 each	**3,15,85,720**
Add: 16,21,622 Equity shares of Rs. 10 each	**1,62,16,220**
47,80,194 Equity shares of Rs. 10 each	4,78,01,940
TOTAL	4,78,01,940

3.2. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on 1st July, 2015 is as under: -

Share Capital	Amount in Rupees
Authorized Share Capital	
3,12,50,000 Equity shares of Rs. 10 each	**31,25,00,000**
TOTAL	31,25,00,000
Issued, subscribed and paid-up Share Capital	
2,25,82,541 Equity shares of Rs. 10 each	**22,58,25,410**
TOTAL	22,58,25,410

After July 1, there has been no change in authorized, issued, subscribed and paid-up share capital of the Transferee Companytill the date of passing of board resolution approving the Scheme

3.3. The existing equity shares of the Transferee Company are listed on NSE and the BSE. The equity shares of the Transferor Company are not listed on any Stock Exchange.

PART III

4. TRANSFER AND VESTING

4.1. With effect from the Appointed Date and upon this Scheme coming into effect, the Transferor Company along with its Undertaking shall stand merged with and be vested in the Transferee Company, as a going concern, without any further act or instrument and pursuant to the provisions of Sections 391 to 394 of the Act, together with all the properties, assets, rights, liabilities, benefits and interest therein, as more specifically described in the subsequent clauses of this Scheme.

4.2. With effect from the Appointed Date, the entire business and the whole of the Undertaking of the Transferor Company shall, without any further act or deed, be and stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company as a going concern, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, PROVIDED ALWAYS that this Scheme shall

not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become effective or otherwise. The transfer/vesting as aforesaid shall be subject to the existing charges/ hypothecation over or in respect of the Assets or any part thereof of the Transferor Company. Further, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed /to be availed by the Transferor Company or the Transferee Company. Similarly, the Promoters shall not be required to provide additional collateral security by way of pledge of their shareholding in the Transferor/Transferee Company.

4.3. Any legal or other proceedings by or against Transferor Company pending on the Effective Date and relating to the Undertaking (including property rights, powers, liabilities, obligations and duties) of Transferor Company shall be continued and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued and enforced by or against Transferor Company.

4.4. It is expressly provided that in respect of such of the assets of the Transferor Company as are moveable in nature or are otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company by physical delivery and shall become the property of the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act.

4.5. In respect of such of the Assets other than those referred to in sub-Clause 4.4 above, they shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act and shall form an integral part of the Undertaking.

4.6. The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.

4.7. With effect from the Appointed Date, all liabilities, debts, duties and obligations of the Transferor Company shall, without any further act or deed, also stand transferred to the Transferee Company, pursuant to the applicable provisions of the Act, so as to become as from the Appointed Date, the liabilities, debts, duties and obligations of the Transferee Company.

4.8. Upon the coming into effect of the Scheme, benefits of all taxes paid including but not limited to MAT paid under Section 115JA/115JB of the IT Act, advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, unutilized MAT credit under the provisions of the IT Act, right to claim deductions under Chapter VI-A of the IT Act including its continuing benefits, by the Transferor Company from the Appointed Date, if any regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same and shall be deemed to be the rights/ claims of the Transferee Company. All unavailed credits, set offs, claims for refunds under any State Value Added Tax Acts, CST Acts, Central Excise and Service Tax provisions or any other State or Central statutes regardless of the period to which they may relate, shall stand transferred to the benefit of and shall be available in the hands of the Transferee Company without restrictions under the respective provisions.

4.9. All secured and unsecured debts, (whether in rupees or in foreign currency), all liabilities whether provided for or not in the books of the Transferor Company, duties and obligations of the Transferor Company alongwith any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall be and stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company, so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. It is clarified that in so far as the assets of the Transferor Company are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Company shall without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which any of the Transferor Company and the Transferee Company are parties, and consistent with the joint obligations assumed by them under such arrangement.

4.10. All the properties including freehold & leasehold properties, leases, estates, assets, rights, titles, interests, benefits, licenses, consents, allotment letters, sanctions, approvals, permissions and authorities etc. as described in Clause 4.1 accrued to and/or acquired by the Transferor Company after the Appointed Date, shall have been and deemed to have accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of the Scheme, pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the properties, leases, estates, assets, rights, titles, interests, benefits, licenses, approvals, permissions and authorities etc. of the Transferee Company.

4.11. All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company after the Appointed Date, shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date.

4.12. All inter party transactions between the Transferor Company and the Transferee Company with as may be outstanding on the Appointed Date or which may take place subsequent to the Appointed Date and prior to the Effective Date, shall be considered as intra party transactions for all purposes from the Appointed Date. Any loans or other obligations, if any, due inter-se i.e. between the Transferor Company with the Transferee Company as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.

4.13. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961, such that the modification to not affect other parts of the Scheme.

5. CONSIDERATION

5.1. Upon this Scheme becoming effective and as consideration of the Scheme, the Transferee Company shall without any further application, act, instrument or deed, issue and allot to each equity shares, credited as fully paid up, to the extent indicated below, to the equity shareholders of Transferor Company and whose name appear in the register of members of the Transferor Company on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Transferor Company / Transferee Company in consideration of the amalgamation of Transferor Company into Transferee Company in the following ratio / proportion ("Share Exchange Ratio"):

"157 (One hundred and fifty seven) equity shares of face value of Rs.10/- at par each fully paid-up of Transferee Company for every 100 (One hundred) equity shares of face value of Rs.10/- each fully paid-up held in Transferor Company."

For avoidance of doubt, it is clarified that in respect of equity shareholders of the Transferor Company who, on the Record date do not hold equity shares in the Transferor Company in multiple of 100 (One hundred) shall be allotted number of fully paid-up equity shares of Rs. 10/- each at par of the Transferee Company in the same ratio as the actual number of equity shares held by the member in the Transferor Company on the Record Date, bear to the Share Exchange Ratio.

5.2. The equity shares to be issued and allotted by Transferee Company as above shall be subject to the provisions of the memorandum and articles of association of Transferee Company and shall rank paripassu in all respects including dividends.

5.3. In respect of fractional entitlements, if any, by Transferee Company, to the equity shareholders of Transferor Company at the time of issue and allotment of Transferee Company Equity Shares under Clause 5.1, the Board of Directors of Transferee Company shall consolidate all fractional entitlements, and allot Transferee Company Equity Shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of Transferee Company shall appoint in this behalf, who shall hold the Transferee Company Equity Shares issued in Transferee Company, in trust on behalf of the equity shareholders entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to Transferee Company, the net sale proceeds thereof, whereupon Transferee Company shall distribute such net sale proceeds (after deduction of applicable taxes), to the equity shareholders in proportion to their respective fractional entitlements. The Board of Directors of Transferee Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

5.4. The new equity shares issued pursuant to Clause 5.1 above shall be issued in the dematerialized form by Transferee Company unless otherwise notified in writing by the shareholders of Transferor Company to Transferee Company on or before such date as may be determined by the Board of Directors of Transferee Company. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Transferor Company shall be required to have an account with a depositary participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Transferee Company shall issue and directly credit the dematerialized securities account of such members of Transferor Company.

In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depositary participant or other confirmations as may be required, then Transferee Company shall issue the new equity shares in certificate form in such number.

Such physical share certificates (if any) shall be sent by Transferee Company to such equity shareholders of Transferor Company at their respective registered addresses, as appearing in the register of members maintained by Transferor Company as of Record Date with respect to their respective shareholders (or in the case of joint shareholders - to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit.

5.5. The Board of Directors of Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares pursuant to Clause 5.1 of the Scheme.

5.6. Equity shares of Transferee Company issued in terms of Clause 5.1 above shall be listed on the relevant stock exchange/s, where the existing equity shares of Transferee Company are listed and / or admitted to trading in accordance with the applicable laws including without limitation the SEBI Circulars. Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Laws or regulations for complying with the formalities of the relevant stock exchanges.

5.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the Board of Directors of Transferee Company or any committee thereof if in existence, or failing which the Board of Directors or any committee thereof of Transferee Company shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in Transferor Company and in relation to the equity shares of Transferee Company after the Scheme becomes effective.

5.8. The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.

5.9. Approval of this Scheme by the shareholders of Transferee Company shall be deemed to be the due compliance of the provisions of Section 81(1A) or any corresponding provisions of Companies Act, 2013 or any other applicable law for the issue and allotment of equity shares by Transferee Company, as provided in this Scheme.

5.10. The approval of this Scheme by the shareholders of Transferee Company and Transferor Company under Section 391 and 394 of the Act or any corresponding provisions of Companies Act, 2013 shall be deemed to have the approval under Section 16, 31 and other applicable provisions of the Act or any corresponding provisions of Companies Act, 2013 and any other applicable law, including but not limited to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and any other consents and approvals required in this regard.

6. ALTERATIONS / AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION AND CONSOLIDATION OF AUTHORIZED CAPITAL

A. COMBINATION OF AUTHORISED CAPITAL

6.1. Upon sanction of the scheme, the authorised share capital of Transferee company shall stand increased without any further act, instrument or deed on the part of Transferee company including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of Transferor company amounting to Rs. 5,00,00,000/- (Rupees Five Crores only) comprising of 50,00,000 Equity Shares of Rs. 10/- each and the Memorandum of Association and Articles of Association of Transferee company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of Transferee company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorized capital of Transferor company shall be utilized and applied to the increased authorized share capital of Transferee company and there would be no requirement for any further payment of stamp duty and / or fee by Transferee company for increase in the authorised share capital to that extent.

6.2. Consequent upon the Scheme becoming effective, the authorised share capital of AGL will be as under:

Particulars	Rupees
Authorised Capital	
3,62,50,000 Equity Shares of Rs. 10/- each	36,25,00,000
Total	36,25,00,000

6.3. It is hereby clarified that the consent of the shareholders of Transferee company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61 or any other applicable provisions of the Companies Act, 2013, would be required to be separately passed.

B. OBJECT CLAUSE

6.4. With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended without any act, instrument or deed and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:

a) The current Clause [A].1. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety and be substituted with the following paragraph:

i. To carry on in India or elsewhere in the world with or without collaboration the business to manufacturer, prepare, process, crush, cut, clean, blend, mix, excavate, pack, repack, design, store, paint, sell, purchase, trade, market, import, export, job work to act as manufacturer representatives and otherwise deal in tiles, glaze tiles, ceramic tiles, mosaic tiles, floor tiles, marble tiles, all kind of marbles, cement tiles, wall tiles, granite tiles, skirtings, china tiles, roofing tiles, porcelain tiles, and ceramic products and other by products related to it whether made of gypsum, lime, stone, porcelain, sand, ores, cement, concrete, asbestos, china-clay, chemical, stone, stone powder, canvas, glass, fibre and other man made synthetic or natural material, any combination and any raw materials and machinery thereof, all kinds of C.P. fitting including sewer pipes, drain pipes, concrete pipes related to sanitary wares of all kinds of sanitary wares including pedestal basin, water closet, urinals, wall mounted bathroom accessories, bip tap, pillar tap, automatic sensor faucet, wall mixer tap, adjustable shower, bathroom mirror, tooth brush holder, soap holder and towel ring, chromium plated nipple, chromium plated elbow, chromium plated plug, chromium plated end cap, cable glands, dc tape clip, pipe earthing clip, tape clip and chromium plated socket, washers, spring washers, plain washers, industrial washers, automotive washers of other related items thereto.

ii. To establish, own, run, maintain, generate, accumulate, receive, produce, improve, promote, develop, operate, employ, convert, transmit, distribute, handle, protect, buy, sell, re-sell, acquire, use, supply, lease and to act as agent, broker, distributor, supplier, representative, consultant, collaborator, vendor, buyer, seller, exporter, importer or otherwise to deal in electric / wind power or any other energy in all its branches or such place or places as may be permitted by appropriate authorities by the establishment of wind power plants, wind mills, wind and tidal waves, wind turbine generators, thermal power plants, hydraulic power plants, atomic power plants, solar power plants and other power plants based on conventional / nonconventional and any other source of energy.

b) It is clarified that upon approval of Scheme by the High Court the Transferee Company shall not be required to seek separate consent / approval of its shareholders for the alternation of the Memorandum and Articles of Association of the Transferee Company as required under Section 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Companies Act, 1956.

7. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE:

7.1. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the business and undertaking of Transferor Company for and on account of and in trust for the Transferee Company. Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

7.2. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Transferee Company alienate, charge, mortgage, encumber or otherwise deal with or dispose of Transferor Company or part thereof.

7.3. With effect from the Appointed Date and upto and including the Effective Date, all the profits or income accruing or arising to Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company pertaining to the business and undertaking of Transferor Company shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Transferee Company.

7.4. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the TransfereeCompany or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be, prior to the Appointed Date.

7.5. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company, may require pursuant to this Scheme.

8. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

On and from the Effective Date:

8.1. All employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company as on the Effective Date.

8.2. The accumulated balances standing to the credit of the employees of the Transferor Company on the Effective Date in the Provident Fund, Gratuity Fund, Superannuation Fund and/or other Funds and including any surplus in any such Funds created or existing for the benefit of the employees of the Transferor Company shall be identified, determined and transferred to the corresponding funds of the Transferee Company in due course.

9. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

9.1. Subject to other provisions of this Scheme, the Transferee Company shall accept all acts, deeds and things relating to the Undertaking of the Transferor Company done and executed by and/or on behalf of the Transferor Company on or after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of the Transferee Company.

9.2. Subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, leases, insurance policies and other instrument of whatsoever nature relating to the Undertaking to which the Transferor Company is a party and subsisting or having effect on or before the Effective date shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if, instead of the Transferor Company, the Transferee Company had at all material times been a party thereto.

9.3. On this Scheme finally taking effect as aforesaid:

a. All the agreements, guarantees, approvals, consents, permissions, licenses, sanctions, leases and the like entered into with and/or given by, as the case may be, the various Central/ State Governments, statutory or regulatory body or agencies or third parties with respect to the Transferor Company shall, without any further act, deed, matter or thing, stand transferred to and vested in the Transferee Company;

b. All business activities engaged in by the Transferor Company shall be continued by the Transferee Company under its own name; and

c. The Transferor Company shall stand dissolved without winding up.

10. LEGAL PROCEEDINGS:

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

PART IV

11. ACCOUNTING TREATMENT

11.1. Upon the Scheme becoming effective:

a. The Transferee Company shall account for amalgamation in accordance with the 'Pooling of Interest Method of Accounting' laid down by Accounting Standard 14 (Accounting for Amalgamation).

b. With effect from the Appointed Date, all the assets and liabilities, including reserves of Transferor Company shall be recorded in the books of the Transferee Company at their existing carrying values and in the same form.

c. Inter-company balances, if any, will stand cancelled.

d. The difference between the share capital of the Transferor Company and face value of new equity shares issued in terms of Clause 5.1 of this Scheme to the shareholders of Transferor Company shall be adjusted in Reserves of the Transferee Company

e. In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the Reserve Account mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

f. The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.

PART V

12. APPLICATION TO THE HIGH COURT

On the Scheme being agreed to by the requisite majorities of the members and creditors of the Transferor Company and the Transferee Company, the Transferor Company and the Transferee Company shall respectively and/or jointly with reasonable dispatch, apply to the Hon'ble High Court for sanctioning this Scheme of Amalgamation under Sections 391 to 394 of the Act and for an order or orders under Section 394 of the Act for carrying this Scheme into effect.

13. MODIFICATIONS/AMENDMENTS TO THE SCHEME

13.1. The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) may, in their full and absolute discretion, assent to any alterations or modifications in this Scheme which the Court may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty that may arise under the Scheme or in regard to its implementation or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective Company). In the event that any conditions are imposed by the High Court which the Transferor Company or the Transferee Company find unacceptable for any reason whatsoever then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from the Scheme.

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

14. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional upon and subject to:

a. The Scheme being agreed to by the respective requisite majorities of the members and creditors of the Transferor Company and the Transferee Company as required under the Act and the requisite order or orders referred to in Clause 12 hereof being obtained;

b. The sanction of the Scheme by the Hon'ble High Court under Sections 391 and 394 of the Act;

c. Obtaining approval of the designated stock exchange as required under the SEBI Circular.

d. The certified copies of the order of the Hon'ble High Court referred to in Clause 12 above being filed with the Registrar of Companies, Gujaratat Ahmedabad.

e. Any other sanction or approval of any governmental or regulatory authority, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

15. EFFECTIVE DATE OF THE SCHEME

15.1. This Scheme shall become effective when all the following conditions are fulfilled:

a. The Scheme being approved by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company as may be required under the Act and/or the orders of the High Court.

b. The Scheme is sanctioned by the said High Court under Section 394 of the Act.

c. The certified copy of the order of the said High Court sanctioning the Scheme is filed with the Registrar of Companies, Gujaratat Ahmedabad.

15.2. In the event of this Scheme failing to take effect finally within such period or periods as may be decided by the Transferor Company (by its Directors) and the Transferee Company (by its Directors), this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or by incurred inter se to or by the Parties or any one of them. In such a case, each company shall bear its own cost or as may be mutually agreed.

15.3. The Transferor Company and the Transferee Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed through the Board of Directors of the Transferor Company and the Transferee Company. In such a case, each company shall bear its own cost or as may be mutually agreed.

16. OPERATIVE DATE OF THE SCHEME

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

17. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall be dissolved without winding up in accordance with the provisions of Sections 391 to 394 of the Act.

18. SCHEME RENDERED NULL AND VOID

18.1. This Scheme although comes into operation from the Appointed Date shall not become effective until the last of the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 14 shall be obtained or passed. The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

18.2. In the event of this Scheme failing to take effect on or before Long Stop Date, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the Parties or any one of them and accordingly Transferor and Transferee Company shall be entitled to take requisite steps to withdraw the Scheme.

18.3. In the event the Board of Directors of the Transferor Company and the Transferee Company, either through itself or through a committee appointed in this behalf, agree to proceed with the sanctioning of the Scheme in part, the Transferor Company and the Transferee Company shall proceed with the High Court's Order for sanctioning of the Scheme in part.

19. EXPENSES CONNECTED WITH THE SCHEME

19.1. Save and except as provided elsewhere in the Scheme, all costs, charges taxes, levies and other expenses including registration fee of any deed, in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of the Scheme shall be borne and paid by the Transferee Company.

19.2. In the event that this Scheme fails to take effect within such period or periods as may be decided by the Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), or the Scheme is rendered null and void in terms of Clause 18 above of this Scheme then, the Transferor Company and Transferee Company shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

20. GENERAL TERMS AND CONDITIONS

20.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make all applications / petitions under Section 391 and 394 and other applicable provisions of the Act to the Court for the sanctioning of the Scheme and obtain all approvals and consents as may be required under law or any agreement.

20.2. The respective Board of Directors of the Transferor Company and the Transferee Company may empower any Committee of Directors or Officer(s) or any individual director, officer or other person to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under the Scheme.

20.3. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferee Company and the Transferor Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

20.4. If any part of this Scheme is invalid, ruled illegal by any court(s) or authority of competent jurisdiction or unenforceable under the present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

Private and Confidential

KEYNOTE

August 22, 2015

The Board of Directors
Asian Granito India Limited
202, Dev Arc, Opp. Iskcon Temple,
S.G. Highway, Ahmedabad - 380015,
Gujarat, India.

The Board of Directors
Artistique Ceramics Private Limited
Plot No. 767, JTI,
Kheda Dholka Highway,
Village Radhu, Radhu – 387 560

Dear Sir/Madam,

Reg: Fairness Opinion on the Share Exchange ratio with respect to the Scheme of Merger of Artistique Ceramics Private Limited ("ACPL") with Asian Granito India Ltd ("AGIL")

Keynote Corporate Services Limited (**"Keynote"** or **"we"** or "us") is Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We have been requested to issue a report on fairness on the Share Exchange ratio with respect to the Scheme of Merger of Artistique Ceramics Private Limited ("ACPL") with Asian Granito India Ltd ("AGIL") *collectively referred as ("Companies")*. We have perused the documents/ information provided by you in respect of the said Merger and the Valuation Report as issued by **N C Vaishnav & Co, Chartered Accountants** dated August 21, 2015 and state as follows:

Company Profile:

Asian Granito India Limited ("Transferee Company") is a public listed company incorporated under the provisions of Companies Act, 1956 in the State of Gujarat and having its registered office at 202, Dev Are, Opp. Iskon Temple, Ahmedabad - 380 015, Gujarat. It was originally incorporated on August 8, 1995 as a private limited company under the name and style of Karnavati Fincap Private Limited as per certificate of registration issued by Registrar of Companies, Gujarat Dadra & Nagar Haveli. Subsequently, the Transferee Company was converted into a public limited company and consequently the name of Transferee Company was changed to Karnavati Fincap Limited with effect from August 29, 1995. Subsequently, the name of the Transferee Company was again changed to Panchariya Textile Industries Limited with effect from March 18, 1999. Further again, the name of the Transferee Company was changed to Vasudev Textile Industries Limited with effect from July 28, 2000. Again subsequently, the name of the Transferee Company was changed to Asian Granito India Limited with effect from November 25, 2002.

AGIL specializes in the manufacturing, selling and exporting of wall and floor tiles. It's product portfolio includes vitrified tiles, ceramic wall tiles, marbles stones, grestek, crystal collection, aquart, and quartz stones where some products are exported to various parts of the world such as United States, Africa, Gulf countries, and the Middle Eastern countries. The equity shares of AGIL are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India Limited (NSE). As per the audited accounts for the year ended 31st March 2015, AGIL reported consolidated revenues of INR 8,414 million, net profit after tax of INR 145.01 million and net worth attributable to equity shareholders of INR 2,945 million. The

Asian Granito India Limited Ahmedabad

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

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current paid up equity share capital of AGIL is about INR 225.80 million consisting of 22,582,541 equity shares of face value of INR 10 each fully paid up.

Artistique Ceramics Private Limited ("Transferor Company") is a private limited company incorporated under the provisions Companies Act, 1956 in the State of Gujarat on May 21, 2004 and having its registered office at Plot No. 767, JTI, Kheda Dholka Highway, Village Radhu, Radhu – 387 560.

It is primarily engaged in the business of manufacturing of ceramic wall tiles. As per the audited financial statements for the year ended 31st March 2015, ACPL reported revenues of INR 293 million, net profit aftertax of INR 32.5 million and networth attributable to equity shareholders of INR 118 million. The current paid up equity share capital of ACPL is about INR 47.80 million consisting of 4,780,194 equity shares of face value of INR 10 each fully paid up,

Rationale of the Report:

We have been informed that, pursuant to a Scheme of Merger under sections 391 to 394 of the Companies Act, 1956 and subject to necessary approvals, the management of the Companies are proposing to merge ACPL with AGIL on a going concern basis with effect from 1st July 2015 *(the "Appointed Date") and* ACPL would cease to exist. The equity shareholders of ACPL will be issued equity shares of AGIL as consideration for the Proposed Merger.

In this regard, we have been requested to suggest Fairness on the Share Exchange ratio for issue of equity of AGIL to the equity shareholders of ACPL for the purpose of proposed merger.

Sources of Information:

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

a) Valuation Report by **N C Vaishnav & Co, Chartered Accountants** dated August 21, 2015;
b) Audited Financial Statements of the Companies and its subsidiaries for the years ended 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015;
c) Unaudited Financial Statements of AGIL and ACPL for the period upto 30th June 2015.
d) Draft Scheme of Merger;
e) Other relevant information/documents regarding AGIL and ACPL such as their history, past and present activities, the merger process, future plans and prospects post the merger including information available through public domain

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

Our Recommendation:

As stated in the Valuation Report, **N C Vaishnav & Co, Chartered Accountants** have recommended the following Share Exchange Ratio:

"157 (One hundred and Fifty Seven) equity share of AGIL of INR 10/- each fully paid up for every 100 (One Hundred) equity shares of ACPL of INR 10/- each fully paid up"

Asian Granito India Limited Ahmedabad

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The aforesaid Merger shall be pursuant to the Draft Scheme of Merger and shall be subject to receipt of approval from the Jurisdictional High Court of Gujarat and other statutory approvals as may be required. The detailed terms and conditions of the merger are more fully set forth in the Draft Scheme of Merger. Keynote has issued the fairness opinion with the understanding that Draft Scheme of Merger shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Merger alters the transaction.

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the share Exchange ratio for the equity shareholders as suggested by N C Vaishnav & Co, Chartered Accountants proposed under the Scheme of Merger is fair in our opinion.

Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by AGIL and ACPL for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, or estimates of value to be realized for the assets of AGIL and ACPL. We have solely relied upon the information provided to us by AGIL and ACPL. We have not reviewed any books or records of AGIL and ACPL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of AGIL and ACPL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of AGIL and ACPL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by AGIL and ACPL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of AGIL and ACPL with respect to these matters. In addition, we have assumed that the Draft Scheme of Merger will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Merger.

We understand that the managements of AGIL and ACPL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Merger, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that AGIL and ACPL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving AGIL and ACPL or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to AGIL and ACPL for providing a fairness view on the share Exchange ratio and will receive a fee for our services.

Asian Granito India Limited Ahmedabad

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
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Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the transaction.

It is understood that this letter is solely for the benefit of and confidential use by the Board of Directors of AGIL and ACPL, shareholders of AGIL and ACPL, SEBI and the Stock Exchanges for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management of AGIL and ACPL should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to AGIL's or ACPL's underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares of AGIL and ACPL should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of AGIL will trade following the announcement of the transaction or as to the financial performance of AGIL and ACPL following the consummation of the transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, AGIL and ACPL and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**

Nipun Lodha
Executive Vice-President and Head- Corporate Finance
SEBI Registration No. INM000003606
(Merchant Banker)

Asian Granito India Limited • Ahmedabad •

Page 4 of 4

Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

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Complaints Report as on 6th October, 2015
From 15th September, 2015 to 5th October, 2015

Part A

Complaint Report:

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock exchanges	NIL
3.	Total number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of Complainant	Date of Complaint Status	(Resolved / Pending)
Not Applicable			

Thank You.
Yours Sincerely,
For **Asian Granito India Limited**

Renuka Upadhyay
Company Secretary & Compliance Officer

DCS/AMAL/AC/24(f)/262/2015-16 January 15, 2016

The Company Secretary
Asian Granito India Limited
202 Dev Arc, Opposite Iskon Tample SG Highway,
Ahmedabad, Gujarat, 380015.

Sub: Observation letter regarding the Draft Scheme of Arrangement involving amalgamation of M/s Artistique Ceramics Private Limited and M/s Asian Granito India Limited.

We are in receipt of Draft Scheme of Arrangement involving amalgamation of M/s Artistique Ceramics Private Limited and M/s Asian Granito India Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated January 13, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"To duly comply with various provisions of the Circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the Circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

i. Copy of the High Court approved Scheme;
j. Result of voting by shareholders for approving the Scheme;
k. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
l. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
m. Status of compliance with the Observation Letter/s of the stock exchanges;
n. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
o. Complaints Report as per Annexure II of this Circular.
p. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange,Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin pujari
Manager

S&P BSE SENSEX

BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/57835

January 15, 2016

The Company Secretary
Asian Granito India Limited
202, Dev Arch,
Opposite Iskon Tample,
S. G. Highway,
Ahmedabad - 380015

Kind Attn.: Ms. Renuka A. Upadhyay

Dear Madam,

Sub: Observation letter for draft Scheme of Amalgamation of Artistique Ceramics Private Limited (Transferor Company) into Asian Granito India Limited (Transferee Company) and their respective shareholders and creditors

This has reference to draft Scheme of Amalgamation (under section 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013) of Artistique Ceramics Private Limited (Transferor Company) into Asian Granito India Limited (Transferee Company) and their respective shareholders and creditors submitted to NSE vide your letter dated September 1, 2015.

Based on our letter reference no Ref: NSE/LIST/45479 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide letter dated January 13, 2016, has commented that "The Company shall duly comply with various provisions of the Circulars".

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from January 15, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.

1.

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

Continuation Sheet

d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Samir Naringrekar
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

2.

Signer: Samir Naringrekar
Date: Fri, Jan 15, 2016 21:30:08 GMT+05:30
Location: NSE

NSE

ASIAN GRANITO INDIA LIMITED

CIN No: L17110GJ1995PLC027025
Registered Office: 202, Dev Arc, Opp. Iskon Temple, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015
Ph. No.: 079-66125500 / 698; Fax.: 079-66125600 / 66058672
email id: cs@aglasiangranito.com; website: www.aglasiangranito.com

(To be handed over at the entrance of the meeting venue)

ATTENDANCE SLIP

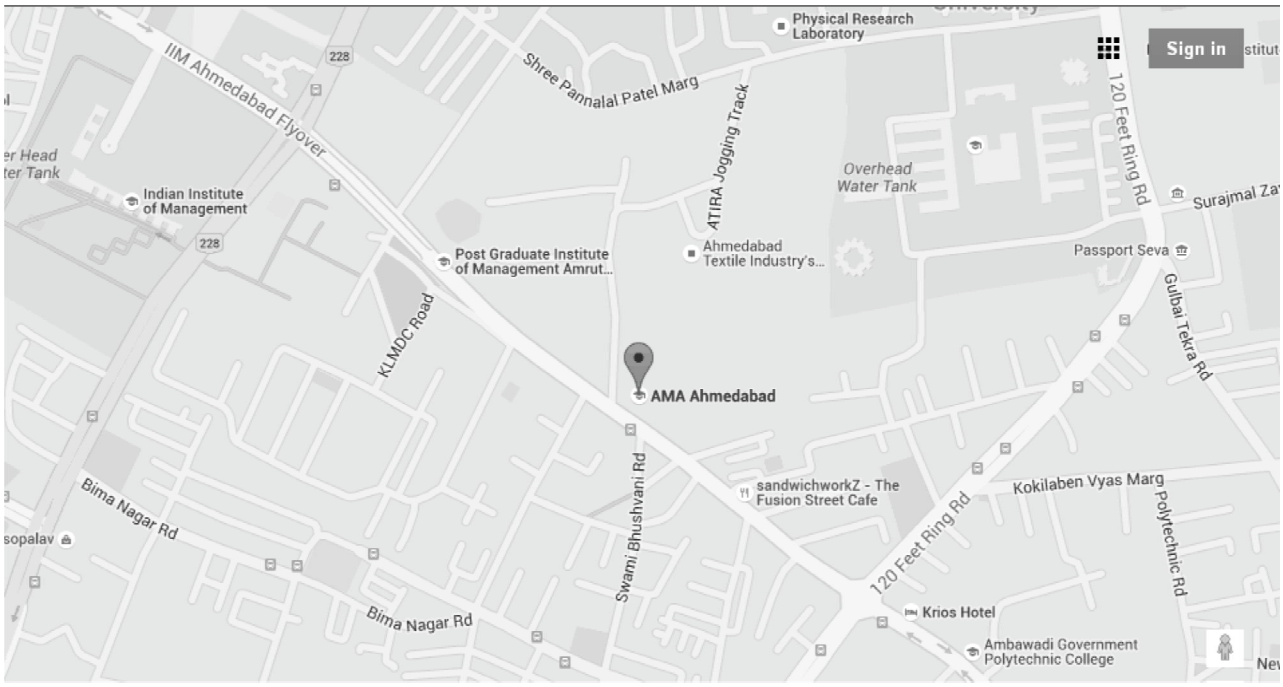
Regd. Folio No. / DPID-Client ID No.	
Shareholder's Name: Mr./Ms./Mrs./Messers	
In case of Proxy or Authorized Representative	
Name of Proxy or Authorized Representative: Mr./Ms./Mrs.	
No. of shares held	

I hereby record my presence at the Court Convened Meeting of the Equity Shareholders of Asian Granito India Limited, the Applicant Company, convened pursuant to the Order dated 15th February, 2016 of the Hon'ble High Court of Gujarat, at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380015, on Friday, March 18, 2016 at 11:00 a.m.

_____
Signature of shareholder / Proxy / Authorized Representative

Notes:
1. Please bring this attendance slip when coming to the meeting.
2. Please do not bring with you any person who is not a member of the Company at the meeting.

Route MAP for Court Convened Shareholders Meeting



ASIAN GRANITO INDIA LIMITED

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 55 OF 2016

In the matter of Companies Act, 1956
And
In the matter of
Section 391 to 394 of the Companies Act, 1956
And
In the matter of Asian Granito India Limited
And
In the matter of Scheme of Amalgamation
Of
Artistique Ceramics Private Limited (Transferor Company)
Into
Asian Granito India Limited (Transferee Company)

Asian Granito India Limited, a company incorporated)
Under the provisions of the Companies Act, 1956, and)
Having its registered office situated at 202, Dev Arc,)
Opp. Iskon Temple, S.G. Highway,)
Ahmedabad – 380 015)
……..Applicant Company

FORM OF PROXY

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s) ……
Registered address ……
Email ID ……
Folio No. / Client ID ……
DP ID ……
Number of Equity Shares held ……
I / We, being the member(s) of ……..equity shares of Asian Granito India Limited, hereby appoint

1. Name : …… E-mail ID: ……
   Address:……
   Signature :…… or failing him……
2. Name : …… E-mail ID: ……
   Address:……
   Signature :…… or failing him……
3. Name : …… E-mail ID: ……
   Address:……
   Signature :…… or failing him……

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Court Convey Meeting of the Equity Shareholders of the Company, to be held on Friday, March 18, 2016 at 11:00 a.m. at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015, for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation of Artistique Ceramics Private Limited into Asian Granito India Limited and their respective shareholders under section 391 to 394 of the Companies Act,1956 at such meeting and any adjournment or adjournments thereof, to vote for me/us and in my/our name(s) _____ (here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said amalgamation embodied in the Scheme and the resolution, either with or without modification(s)*, as my/our proxy may approve.

*strike out whatever is not applicable

Signed this ..... day of 2016

Signature of shareholder(s) : .....

Signature of proxy holder:……

Affix Re. 1 Revenue Stamp

Notes :

a) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company at 202, Dev Arc, Opp. Iskon Temple, S.G. Road, Ahmedabad – 380 015, not less than 48 hours before the time for holding the meeting.
b) A proxy need not be a member of the company
c) All alterations made in the form of proxy should be initialed.
d) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of Court Convened Meeting of Equity Shareholders.
e) A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

By Regd. Post

ASIAN GRANITO INDIA LIMITED

CIN No: L17110GJ1995PLC027025

Registered Office: 202, Dev Arc, Opp. Iskon Temple, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015

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email id: cs@aglasiangranito.com; website: www.aglasiangranito.com

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email id: cs@aglasiangranito.com; website: www.aglasiangranito.com

Notice of Court Convened Meeting of Secured Creditors

Day	:	**Friday**
Date	:	**18th March 2016**
Time	:	**2:00 P.M.**
Venue	:	**AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015**

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY APPLICATION NO. 55 OF 2016

In the matter of Companies Act, 1956

And

In the matter of

Section 391 to 394 of the Companies Act, 1956

And

In the matter of Asian Granito India Limited

And

In the matter of Scheme of Amalgamation

Of

Artistique Ceramics Private Limited (Transferor Company)

Into

Asian Granito India Limited (Transferee Company)

Asian Granito India Limited, a company incorporated)
Under the provisions of the Companies Act, 1956, and)
Having its registered office situated at 202, Dev Arc,)
Opp. Iskon Temple, S.G. Highway,)
Ahmedabad – 380 015) ….……..Applicant Company

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF THE APPLICANT COMPANY

To,
The Secured Creditors of
Asian Granito India Limited ("the Company" or "Applicant Company" or "AGIL")

TAKE NOTICE that by an Order made on 15th February, 2016, in the above mentioned Company Application No. 55 of 2016 (the "Order"), the Hon'ble High Court of Gujarat at Ahmedabad has directed that a meeting of the Secured Creditors of the Applicant Company, be convened and held at AMA, AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015, on March 18, 2016, Friday at 2:00 P.M. to consider, and, if thought fit, approve with or without modification(s), the proposed Scheme of Amalgamation of Artistique Ceramics Private Limited into Asian Granito India Limited **("Scheme"):**

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Hon'ble High Court of Gujarat, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Gujarat or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the Scheme of Amalgamation of Artistique Ceramics Private Limited with Asian Granito India Limited and their respective shareholders ("Scheme") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby jointly and severally authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which

may be required and/or imposed by the Hon'ble High Court of Gujarat while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may be deemed fit and proper."

TAKE FURTHER NOTICE that in pursuance of the Order and as directed therein, a meeting of the Secured Creditors of the Applicant Company, will be held at AMA, AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015, on March 18, 2016, Friday at 2:00 P.M. (the "Meeting"), at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the Meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Applicant Company at 202, Dev Arc, Opp. Iskon Temple, S.G. Road, Ahmedabad-380 015 not later than 48 hours before the time of the Meeting.

The Hon'ble High Court has appointed Mr. Kamleshbhai Patel, Chairman and Managing Director of the Applicant Company, failing him, Mr. Mukeshbhai Patel, Managing Director of the Applicant Company, failing him, Mr. Kalidasbhai Patel, Chief Financial Officer of the Applicant Company to be the Chairman of the Meeting.

A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956, Form of Proxy and Attendance Slip are enclosed.

Sd/-
Kamlesh Patel
Chairman appointed for meeting

Place: Ahmedabad
Date : 16-02-2016

CIN: L17110GJ1995PLC027025

Registered Office:

202, Dev Arc, Opp. Iskon Temple, S.G. Road, Ahmedabad – 380 015

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only Secured Creditors of the Applicant Company may attend and vote (either in person or by proxy or by Authorized Representative under Sections 112 and 113 of the Companies Act, 2013) at the Secured Creditors' meeting. The Authorized Representative of a body corporate which is a Secured Creditor of the Applicant Company may attend and vote at the Secured Creditors' meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Secured Creditors' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
3. The proxy need not be a creditor of the Applicant Company.
4. A Secured Creditor or his Proxy is requested to bring the copy of the notice to the meeting and produce the attendance slip, duly completed and signed, at the entrance of the meeting venue.

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 55 OF 2016

In the matter of Companies Act, 1956

And

In the matter of

Section 391 to 394 of the Companies Act, 1956

And

In the matter of Asian Granito India Limited

And

In the matter of Scheme of Amalgamation

Of

Artistique Ceramics Private Limited (Transferor Company)

Into

Asian Granito India Limited (Transferee Company)

Asian Granito India Limited, a company incorporated)
Under the provisions of the Companies Act, 1956, and)
Having its registered office situated at 202, Dev Arc,)
Opp. Iskon Temple, S.G. Highway,)
Ahmedabad – 380 015) ……..Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE SECURED CREDITORS OF THE APPLICANT COMPANY

1. This is a statement accompanying the Notice convening the meeting of the Secured Creditors of the Applicant Company, pursuant to an Order dated 15th February, 2016 passed by the Hon'ble High Court of Gujarat in the Company Application No. 55 of 2016 referred to hereinabove, to be held at AMA, AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015 on March 18, 2016, Friday at 2:00 P.M. for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation embodied in the Scheme of Amalgamation of Artistique Ceramics Private Limited **("ACPL" or "Transferor Company")** into Asian Granito India Limited **("Applicant Company" or "AGIL" or "Transferee Company") ("Scheme")**. The other definitions contained in the Scheme shall also apply to this Explanatory Statement.

2. A copy of the Scheme, setting out in detail terms and conditions of the amalgamation, inter alia, providing for amalgamation of ACPL into AGIL, which has been duly approved by the Board of Directors of the Applicant Company at its meeting held on August 24, 2015, is attached to this Explanatory Statement.

Background of the Companies:

2.1. Asian Granito India Limited

1. Asian Granito India Limited is a public listed company incorporated under the provisions of Companies Act, 1956 in the State of Gujarat and having its registered office at 202, Dev Arc, Opp. Iskon Temple, Ahmedabad – 380 015, Gujarat. Transferee Company was originally incorporated on August 8, 1995 as a private limited company under the name and style of Karnavati Fincap Private Limited as per certificate of registration issued by Registrar of Companies, Gujarat Dadra & Nagar Haveli. Subsequently, the Transferee Company was converted into a public limited company and consequently the name of Transferee Company was changed to Karnavati Fincap Limited with effect from August 29, 1995. Subsequently, the name of the Transferee Company was again changed to Panchariya Textile Industries Limited with effect from March 18, 1999. Further again, the name of the Transferee Company was changed to Vasudev Textile Industries Limited with effect from July 28, 2000. Again subsequently, the name of the Transferee Company was changed to Asian Granito India Limited with effect from November 25, 2002. Equity shares of Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Transferee Company is engaged in the business of manufacturing tiles, glaze tiles, ceramic tiles, mosaic tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, China tiles and ceramic products. Its manufacturing facility is in Sabarkantha district of Gujarat.

2. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Applicant Company as on 1st July 2015 i.e. appointed date is as under:

Asian Granito India Limited (Applicant Company)

Asian Granito India Limited

Particulars	Amount in Rs.
Authorized Share Capital	
3,12,50,000 Equity shares of Rs. 10 each	31,25,00,000
Issued, Subscribed and Paid-up Capital	
2,25,82,541 Equity shares of Rs. 10 each	22,58,25,410

There has been no change in the capital structure of the Applicant Company as on date since then.

3. The equity shares of AGIL are listed on BSE Limited and National Stock Exchange of India Limited.

4. The main objects of AGIL as listed out in its Memorandum of Association are as under:

a) To carry on in India or elsewhere in the world with or without collaboration the business to manufacturer, prepare, process, crush, cut, clean, blend, mix, excavate, pack, repack, design, store, paint, sell, purchase, trade, market, import, export, job work to act as manufacturer representatives and otherwise deal in tiles, glaze tiles, ceramic tiles, mosaic tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, skirtings, china tiles and ceramic products.

b) To establish, own, run, maintain, generate, accumulate, receive, produce, improve, promote, develop, operate, employ, convert, transmit, distribute, handle, protect, buy, sell, re-sell, acquire, use, supply, lease and to act as agent, broker, distributor, supplier, representative, consultant, collaborator, vendor, buyer, seller, exporter, importer or otherwise to deal in electric / wind power or any other energy in all its branches or such place or places as may be permitted by appropriate authorities by the establishment of wind power plants, wind mills, wind and tidal waves, wind turbine generators, thermal power plants, hydraulic power plants, atomic power plants, solar power plants and other power plants based on conventional / nonconventional and any other source of energy.

2.2. Artistique Ceramics Private Limited

5. Artistique Ceramics Private Limited is a private limited company incorporated under the provisions Companies Act, 1956 in the State of Gujarat on May 21, 2004 and having its registered office at Plot No. 767, JTI, Kheda Dholka Highway, Village Radhu, Radhu – 387 560, Gujarat. Transferor Company is engaged in the business of manufacturing of ceramic glaze tiles. Its manufacturing facility is located in Kheda district of Gujarat.

6. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Applicant Company as on 1st July 2015 i.e. appointed date is as under:

Artistique Ceramics Private Limited

Artistique Ceramics Private Limited

Particulars	Amount in Rs.
Authorized Share Capital	
50,00,000 Equity shares of Rs. 10 each	5,00,00,000
Issued, Subscribed and Paid-up Capital	
31,58,572 Equity shares of Rs. 10 each	3,15,85,720

The Transferor Company has allotted 16,21,622 shares of Rs. 10 each on 3rd July 2015. Apart from that, there has been no change in authorized, issued, subscribed and paid-up share capital of the Transferor Company after July 1, 2015 till the date of passing of board resolution approving the Scheme. Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company post allotment of above referred shares is as under:

Artistique Ceramics Private Limited

Particulars	Amount in Rs.
Authorized Share Capital	
50,00,000 Equity shares of Rs. 10 each	5,00,00,000
Issued, Subscribed and Paid-up Capital	
31,58,572 Equity shares of Rs. 10 each	3,15,85,720
Add: 16,21,622 Equity shares of Rs. 10 each	1,62,16,220
47,80,194 Equity shares of Rs. 10 each	4,78,01,940
Total	**4,78,01,940**

There has been no change in the capital structure of the Transferor Company as on date since then.

7. The main objects of Artistique as listed out in its Memorandum of Association are as under:

a. To carry on business as manufacturers, dealers, exporters, importers, contractors, suppliers, stockiest, representatives, job workers, fabricators, distributors, traders, sellers, buyers, consignors, consignees, factors, agents and/or consultants of any or all classes, kinds, types, nature and description of goods, articles, things, commodities and materials, including and without limiting the generality thereof including that of Ceramic items, Sanitary Wares, Floor/Wall Tiles, Construction materials, Moulded Glass, Small Wares, Glass Mosaic, Glass Bricks, Decorative Glass Items, Frits, Colours, Stains, Bricks, Bathroom Fittings and Fixtures, Flushing Cisterns, Commodes, Washbasins, Tappa, Gandi, Tub, Bathtub, Pipes, Tubes and accessories of plastic, glass or any other materials.

3. Background of the Scheme

The Scheme provides for, inter alia, for:

a) The amalgamation of ACPL into AGIL;

b) Issuance of equity shares of AGIL as consideration for amalgamation of ACPL into AGIL to the shareholders of ACPL based on swap ratio determined by independent Chartered Accountants;

c) Transfer of all assets and liabilities of ACPL to AGIL; and

d) Dissolution of ACPL without winding up in accordance to Sections 391 to 394 of the Companies Act, 1956.

4. Rationale of the Scheme

This Scheme envisages the amalgamation of ACPL into AGIL, resulting in consolidation of the business in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the two companies. Accordingly, it would be in the best interests of the Transferor Company and the Transferee Company and their respective shareholders. The proposed amalgamation of ACPL into AGIL is in line with the global trends to achieve size, scale, integration and greater financial strength and flexibility and in the interests of maximizing shareholder value. The merged entity is likely to achieve higher long-term financial returns that could not be achieved by the companies individually. The Transferor Company and the Transferee Company believe that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Company and the Transferee Company pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth. Therefore, the management of the Transferor Company and the Transferee Company believe that this Scheme shall benefit the respective companies and other stake holders of respective companies, inter-alia, on account of the following reasons:

a) Enable Transferee Company to use the resources of Transferor Company and generate synergy in operations;

b) Increase in net worth of Transferee Company, which will facilitate effective and fast mobilization of financial resources for meeting increased capital expenditure;

c) Reduction of overheads and other expenses, facilitate administrative convenience and ensure optimum utilization of available services and resources.

Moreover, it will lead to the enhancement in the reputation of the brand "AGL" in all spheres in the ceramic tiles sector in India. The proposed amalgamation and vesting of ACPL into AGIL, with effect from the Appointed Date is in the interest of the shareholders, creditors, stakeholders and employees, as it would enable a focused business approach for the maximization of benefits to all stakeholders and for the purposes of synergies of business.

5. Salient features of the Scheme

a) The Scheme envisages the amalgamation of Transferor Company with Transferee Company pursuant to Section 391 to 394 of the Companies Act, 1956 on a going concern basis in the manner provided for in the Scheme.

b) The Scheme shall be effective from Appointed Date i.e. 1st July 2015 and would come into effect from the date on which certified copies of the orders passed by the Hon'ble High Court of Gujarat is filed with the Registrar of Companies, Gujarat at Ahmedabad.

c) With effect from the Appointed Date, the Transferor Company along with its all assets and liabilities shall stand merged with the Transferee Company, as a going concern, pursuant to the provisions of Sections 391 to 394 of the Act, together with all the properties, assets, rights, liabilities, benefits and interest therein.

d) Upon this Scheme becoming effective and as consideration of the Scheme, the Transferee Company shall issue and allot to its equity shares, credited as fully paid up, to the extent indicated below, to the equity shareholders of Transferor Company and whose name appear in the register of members of the Transferor Company on the Record Date:

"157 (One hundred and fifty seven) equity shares of face value of Rs.10/- at par each fully paid-up of Transferee Company for every 100 (One hundred) equity shares of face value of Rs.10/- each fully paid-up held in Transferor Company."

e) Upon sanction of the scheme, the authorized share capital of the Transferor Company shall be deemed to be added to the authorized share capital of Transferee Company. Consequent to scheme becoming effective, authorized share capital of the Transferee Company will be 3,62,50,000 equity shares of Rs. 10/- each amounting to Rs. 36,25,00,000.

f) On and from the Effective Date, all employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions not less favorable than those on which they are engaged by the Transferor Company as on the Effective Date.

g) With effect from the date of passing of the board resolution for approving the Scheme i.e. August 24, 2015, Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities for and on account of and in trust for the Transferee Company. Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

h) All suits, writ petition, appeal, revision or other proceedings of whatever nature by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of all assets and liabilities of the Transferor Company or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

i) On the Scheme becoming effective, the Transferor Company shall be dissolved without winding up in accordance with the provisions of Section 391 to 394 of the Act.

j) The Scheme is conditional upon and subject to the approvals and / or sanctions laid down in Clause 14 of the Scheme.

Please note that the features set out above being only the salient features of the Scheme of Amalgamation; the Secured Creditors are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

6. Board Meeting, Valuation Report and Fairness Opinion

a) The Proposed Scheme of Amalgamation was approved by the Board of Directors of the Applicant Company at the meeting held on August 24, 2015 after considering the recommendations of the Audit Committee. The Applicant Company has obtained a Fairness Opinion dated August 22, 2015 of an independent Merchant Banker, Keynote Corporate Services Limited and a Certificate dated August 21, 2015 issued by Independent Chartered Accountant, N.C. Vaishnav & Co, recommending fair equity share exchange ratio for the purpose of proposed merger of ACPL into AGIL.

b) The applicant Company has also obtained Certificate dated August 22, 2015 of the statutory Auditor of the Company namely A.L. Thakkar & Co. certifying undertaking in relation to non-applicability of paragraph 5.16 (a) of circular no CIR/CFD/DIL/5/2013 issued by Securities and Exchange Board of India (SEBI) on February 4, 2013 as amended by Circular No CIR/CFD/DIL8/2015 dated May 21, 2013 read with circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

c) In accordance with the Circular No. CIR/CFD/DIL/5/2013 issued by SEBI on February 4, 2013 as amended vide Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, read with circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 the Audit Committee of the Applicant Company had on August 24, 2015 recommended the proposed Scheme of Amalgamation for approval of the Board.

7. Capital Structure – Pre and Post Amalgamation

Pre and Post Amalgamation Capital Structure of Asian Granito India Limited is as follows:

Particulars		Pre- Amalgamation as on 1st June 2015		Post – Amalgamation	
		No. of shares	Amount (Rs.)	No. of shares	Amount(Rs.)
A	**Authorized Share Capital**				
	Equity Shares of Rs. 10 each, fully paid-up	3,12,50,000	31,25,00,000	3,62,50,000	36,25,00,000
	Total	**3,12,50,000**	**31,25,00,000**	**3,62,50,000**	**36,25,00,000**
B	**Issued, Subscribed and Paid-up Share Capital**				
	Equity shares of Rs. 10 each, fully paid-up	2,25,82,541	22,58,25,410	3,00,87,446	30,08,74,460

Pre-amalgamation capital structure of ACPL is mentioned in paragraph 3.2. On the Scheme becoming effective, ACPL shall be dissolved without being wound up and without any further act by the parties to this Scheme.

8. Pre and Post Amalgamation Shareholding Pattern

Pursuant to Listing Agreement entered into with stock exchanges, the Pre-Amalgamation and the Post-Amalgamation shareholding pattern of Asian Granito India Limited and Pre-Amalgamation shareholding of Artistique Ceramics Private Limited is given below:

Code	Category of Shareholders	Transferee Company (AGIL) Pre-Amalgamation		Transferee Company (AGIL) Post-Amalgamation		Transferor Company (ACPL) Pre-Amalgamation	
		No of Shares	As percentage of total capital	No of Shares	As percentage of total capital	No of Shares	As percentage of total capital
(A)	**Shareholding of Promoter and Promoter Group**						
(1)	**Indian**						
(a)	Individuals / HUF	8472608	37.52	8472608	28.16	1980000	41.42
(b)	Central/State Government	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	2800194	58.58
(d)	Financial Institutions/Banks	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0
	Sub Total (A)(1)	**8472608**	**37.52**	**8472608**	**28.16**	**4780194**	**100.00**

Code	Category of Shareholders	Transferee Company (AGIL) Pre-Amalgamation		Transferee Company (AGIL) Post-Amalgamation		Transferor Company (ACPL) Pre-Amalgamation	
		No of Shares	As percentage of total capital	No of Shares	As percentage of total capital	No of Shares	As percentage of total capital
2	**Foreign**						
(a)	Individuals (Non-Resident Individuals / Foreign Individuals	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0
	Sub Total (A)(2)	**0**	**0**	**0**	**0**	0	0
	Total Shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)	**8472608**	**37.52**	**8472608**	**28.16**	**4780194**	**100.00**
(B)	**Public Shareholding**						
1	**Institutions**						
(a)	Mutual Funds/UTI	0	0	0	0	0	0
(b)	Financial Institutions/Banks	29466	0.13	29466	0.10	0	0
(c)	Central/State Government(s)	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0
(f)	Foreign Institutional Investor	580000	2.57	580000	1.93	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0
(h)	Qualified Foreign Investor	0	0	0	0	0	0
(i)	Any Other(specify)	0	0	0	0	0	0
	Sub-Total (B)(1)	**609466**	**2.70**	**609466**	**2.03**	0	0
(2)	**Non Institutions**						
(a)	Bodies Corporate	3118975	13.81	7515280	24.98	0	0
(b)	Individuals						
i)	Holding nominal share capital upto Rs. 1 Lakh	2714978	12.02	2714978	9.02	0	0
ii)	Holding nominal share capital in excess of Rs. 1 Lakh	7306674	32.26	10415274	34.62	0	0
(c)	Qualified Foreign Investor	0	0	0	0	0	0
(d)	Any Other (specify)						
(d-i)	Clearing member	273602	1.21	273602	0.91	0	0
(d-ii)	NRI (Repat)	78455	0.35	78455	0.26	0	0
(d-iii)	NRI (Non Repat)	7783	0.03	7783	0.03	0	0
	Sub-Total (B)(2)	**13500467**	**59.78**	**21005372**	**69.81**	**0**	**0**
	Total Public Shareholding (B) = (B)(1) + (B)(2)	**14109933**	**62.48**	**21614838**	**71.84**	**0**	**0**
	Total (A)+(B)	**22582541**	**100.00**	**30087446**	**100.00**	**4780194**	**100.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**						
1	Promoter and Promoter Group	0	0	0	0	0	0
2	Public	0	0	0	0	0	0
	Sub-Total (C)	**0**	**0**	**0**	**0**	**0**	**0**
	Grand Total = (A)+(B)+(C)	**22582541**	**100.00**	**30087446**	**100.00**	**4780194**	**100.00**

9. Extent of Shareholding of Directors and Key Managerial Personnel

a) There are no common Directors in the Applicant Company and the Transferor Company.

b) None of the Directors of Key Managerial Personnel (KMPs) of the Applicant Company hold any shares in Transferor Company.

c) None of the Directors or KMPs of the Transferor Company, or their relatives, has any material interest in the Scheme except to the extent of shares held by them in the Applicant Company.

d) The effect of the Scheme on interests of the Directors and KMPs and their relatives, is not any different from the effect of the Scheme on like interests of other persons.

e) The shareholding of the present Directors and KMPs of the Transferor Company in the Applicant Company and Transferor Company, as on 1st July 2015 is as under:

Sr. No.	Name of Director	Designation	Shares in ACPL	Shares in AGIL
1	Dipakbhai N. Patel	Director	4,08,500	51,900
2	Maheshbhai M. Patel	Director	Nil	52,505

f) The shareholding of the relatives of present Directors and KMPs of the Transferor Company in the Applicant Company and Transferor Company is as under:

Sr. No.	Name of Relative of Dipakbhai N. Patel	Relation	Shares in ACPL	Shares in AGIL
1	Narayanbhai M. Patel	Father	Nil	1,24,440
2	Girishbhai N. Patel	Brother	Nil	43,750
3	Ritaben D. Patel	Wife	Nil	26,000
4	Narayanbhai M. Patel-HUF*		Nil	29,100
5	Girishbhai N. Patel-HUF*		Nil	36,700
6	Dipakbhai N. Patel-HUF*		Nil	34,500

Sr. No.	Name of Relative of Maheshbhai M. Patel	Relation	Shares in ACPL	Shares in AGIL
1	Mavabhai S. Patel	Father	Nil	81,670
2	Kamleshbhai M. Patel	Brother	Nil	59,530
3	Nirupaben M. Patel	Wife	Nil	20,000
4	Kamleshbhai M. Patel-HUF*		Nil	8,500

*Holding shares on behalf of HUF

a) The shareholding of present Directors and KMPs of the Applicant Company in the Applicant Company and Transferor Company is as under:

Sr. No.	Name of Director / KMP	Designation	Shares in ACPL	Shares in AGIL
1	Kamleshbhai B. Patel	Chairman and Managing Director	Nil	24,38,768
2	Sureshbhai J. Patel	Director	Nil	11,22,793
3	Bhogilal B. Patel	Director	Nil	2,42,299
4	Kanubhai B. Patel	Director	Nil	1,53,299
5	Mukeshbhai J. Patel	Managing Director	Nil	17,15,619
6	Maganlal Prajapati	Director	Nil	Nil
7	Shankerlal K. Patel	Director	Nil	Nil
8	Ajendrakumar N. Patel	Director	Nil	Nil
9	Amrutbhai I. Patel	Director	Nil	Nil
10	Bhaveshbhai V. Patel	Director	Nil	1,82,340
11	Premjibhai R. Chaudhari	Director	Nil	Nil
12	Indira Nityandandam	Director	Nil	Nil
13	Renuka A. Upadhyay	Secretary	Nil	Nil
14	Kalidas J. Patel	CFO	Nil	93,310

b) There are certain unsecured loans given by Directors of Transferor Company to it, details of which are as under:

Sr. No.	Name of Director	Designation	Loan given to ACPL in INR
1	Maheshbhai M. Patel	Director	22,50,000

10. Approvals

a) Pursuant to the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 circular number CIR/CFD/ DIL/8/2013 dated May 21, 2013 read with circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, all issued by the Securities and Exchange Board of India ("SEBI Circular") read with Clause 24(f) of the Listing Agreement, the Applicant Company had filed necessary applications before the BSE Limited and National Stock Exchange of India Limited seeking their no-objection to the Scheme. The Applicant Company received Observation Letters dated January 15, 2016 from BSE Limited and National Stock Exchange of India Limited conveying its no-objection to the Scheme. Copies of the aforesaid observation letters are enclosed herewith.

b) As required by the SEBI Circular, the Applicant Company has filed the Complaints Report (indicating NIL complaint) with BSE Limited and with National Stock Exchange of India Limited on October 06, 2015. After filing of the Complaints Report, the Applicant Company has received NIL complaints. A copy of the aforementioned Complaints Report is enclosed herewith.

11. General

a) Under Section 391 of the Companies Act, 1956, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the Secured Creditors present and voting either in person or by proxy at the meeting. A proxy form is enclosed. It is hoped that in view of the importance of the business to be transacted, you will personally attend the meeting. The signing of the form or forms of Proxy will, however, not prevent you from attending and voting in person, if you desire.

b) The Scheme is not prejudicial to the interests of the Secured Creditors of the Applicant Company. Pursuant to this Scheme becoming effective, the Transferor Company (i.e. ACPL) will stand dissolved without winding up. By virtue of this Scheme becoming effective there would be no change in control of the Applicant Company or in the constitution of its Board of Directors.

c) The financial position of the Applicant Company will not be adversely affected by this Scheme. Further, the rights and interests of the creditors (secured and unsecured) of either of the companies will not be prejudicially affected by this Scheme as the Applicant Company, post this Scheme, will be able to meet its liabilities as they arise in the ordinary course of business.

d) The latest audited accounts of the Applicant Company as on 31st March, 2015 and 30th June 2015 indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the concerned companies would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. The Net-Worth Certificate confirming the same is available for inspection. Hence, the amalgamation will not cast any additional burden on the creditors of either company, nor will it affect the interest of any of the creditors.

e) The Directors of the Applicant Company have no material interest in the Scheme.

f) There are no winding up proceedings pending against the Applicant Company as of date.

g) No investigation or proceedings have been instituted or are pending in relation to the Applicant Company under Section 235 to 251 of the Act and corresponding provisions of Companies Act, 1956 notified thereto.

h) In the event of any of the sanctions and approvals referred to in this Scheme not being obtained and/or this Scheme not being sanctioned by the Hon'ble High Court or such other competent authority and/or the order or orders not being passed as aforesaid before June 30, 2017, the Scheme shall stand revoked, cancelled and be of no effect.

i) Inspection of the following documents may be had by the Secured Creditors of the Applicant Company at the Registered Office of the Applicant Company on any working day (including Saturdays) prior to the date of the meeting between 11.00 a.m. to 1.00 p.m.

   i. Copy of the Order dated 15th February, 2016 of the Hon'ble High Court of Gujarat passed in Company Application No. 55 of 2016 directing the convening of the meeting of the Secured Creditors of AGIL;

   ii. Copy of the Company Application No. 55 of 2016.

   iii. Memorandum of Association and Articles of Association of AGIL and ACPL;

   iv. Audited Financial Statements of ACPL and AGIL for last three financial years ended March 31, 2015, March 31, 2014 and March 31, 2013;

   v. Register of Director's Shareholdings of AGIL;

   vi. Copy of the Observation Letters dated January 15, 2016 received from BSE Limited and National Stock Exchange of India Limited;

   vii. Copy of the Complaints Report dated October 06, 2015 filed with BSE Limited and National Stock Exchange of India Limited;

   viii. Certificate dated August 21, 2015 issued by Independent Chartered Accountants, M/s. N.C. Vaishnav & Co. and;

   ix. Fairness Opinion dated August 22, 2015 issued by Keynote Corporate Services Limited;

   x. Certificate dated August 27, 2015 issued by the statutory Auditors M/s. A.L. Thakkar & Co. towards pre-merger and post-merger net worth.

   xi. Certificate dated August 22, 2015 issued by the statutory Auditors M/s. A.L. Thakkar certifying undertaking in relation to non-applicability of Para 5.16 of SEBI circular dated February 4, 2013 and May 21, 2013.

j) This statement may be treated as an Explanatory Statement pursuant to Section 393 of the Companies Act, 1956.

k) A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (including Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company situated at 202, Dev Arc, Opp. Iskon Temple, S.G. Road, Ahmedabad - 380015 and/or at the Advocate appearing for the Applicant Company having her office at 301, 3rd Floor, Shivalik-10, Opp. SBI Zonal Office, Nr. Excise Chowky, Nr. S.M. Road, Ahmedabad – 380 015.

Sd/-
Kamleshbhai Patel
Chairman appointed for the meeting

Place: Ahmedabad
Date: 16-02-2016
CIN: L17110GJ1995PLC027025
Registered office:
202, Dev Arc, Opp. Iskon Temple, S.G. Road, Ahmedabad – 380 015

SCHEME OF AMALGAMATION

(UNDER SECTION 391 TO 394 OF THE COMPANIES ACT, 1956 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 AND COMPANIES ACT, 2013)

OF

ARTISTIQUE CERAMICS PRIVATE LIMITED

(TRANSFEROR COMPANY)

INTO

ASIAN GRANITO INDIA LIMITED

(TRANSFEREE COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I

INTRODUCTION

(A) **Artistique Ceramics Private Limited** (hereinafter referred to as **"Artistique"** or **"Transferor Company"**) is a private limited company incorporated under the provisions Companies Act, 1956 in the State of Gujarat on May 21, 2004 and having its registered office at Plot No. 767, JTI, Kheda Dholka Highway, Village Radhu, Radhu – 387 560, Gujarat. Transferor Company is engaged in the business of manufacturing of ceramic glaze tiles. Its manufacturing facility is located in Kheda district of Gujarat.

The main objects of theTransferor Company are as follows:

1. To carry on business as manufacturers, dealers, exporters, importers, contractors, suppliers, stockiest, representatives, job workers, fabricators, distributors, traders, sellers, buyers, consignors, consignees, factors, agents and/or consultants of any or all classes, kinds, types, nature and description of goods, articles, things, commodities and materials, including and without limiting the generality thereof including that of Ceramic items, Sanitary Wares, Floor/Wall Tiles, Construction materials, Moulded Glass, Small Wares, Glass Mosaic, Glass Bricks, Decorative Glass Items, Frits, Colours, Stains, Bricks, Bathroom Fittings and Fixtures, Flushing Cisterns, Commodes, Washbasins, Tappa, Gandi, Tub, Bathtub, Pipes, Tubes and accessories of plastic, glass or any other materials.

(B) **Asian Granito India Limited** (hereinafter referred to as **"AGL"** or **"Transferee Company"**) is a public listed company incorporated under the provisions of Companies Act, 1956 in the State of Gujarat and having its registered office at 202, Dev Arc, Opp. Iskon Temple, Ahmedabad – 380 015, Gujarat. Transferee Company was originally incorporated on August 8, 1995 as a private limited company under the name and style of Karnavati Fincap Private Limited as per certificate of registration issued by Registrar of Companies, Gujarat Dadra & Nagar Haveli. Subsequently, the Transferee Company was converted into a public limited company and consequently the name of Transferee Company was changed to Karnavati Fincap Limited with effect from August 29, 1995. Subsequently, the name of the Transferee Company was again changed to Panchariya Textile Industries Limited with effect from March 18, 1999. Further again, the name of the Transferee Company was changed to Vasudev Textile Industries Limited with effect from July 28, 2000. Again subsequently, the name of the Transferee Company was changed to Asian Granito India Limited with effect from November 25, 2002. Equity shares of Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Transferee Company is engaged in the business of manufacturing tiles, glaze tiles, ceramic tiles, mosaic tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, China tiles and ceramic products. Its manufacturing facility is in Sabarkantha district of Gujarat.

The main objects of the Transferee Company are as follows:

1. To carry on in India or elsewhere in the world with or without collaboration the business to manufacturer, prepare, process, crush, cut, clean, blend, mix, excavate, pack, repack, design, store, paint, sell, purchase, trade, market, import, export, job work to act as manufacturer representatives and otherwise deal in tiles, glaze tiles, ceramic tiles, mosaic tiles, floor tiles, marble tiles, cement tiles, wall tiles, granite tiles, skirtings, china tiles and ceramic products.

2. To establish, own, run, maintain, generate, accumulate, receive, produce, improve, promote, develop, operate, employ, convert, transmit, distribute, handle, protect, buy, sell, re-sell, acquire, use, supply, lease and to act as agent, broker, distributor, supplier, representative, consultant, collaborator, vendor, buyer, seller, exporter, importer or otherwise to deal in electric / wind power or any other energy in all its branches or such place or places as may be permitted by appropriate authorities by the establishment of wind power plants, wind mills, wind and tidal waves, wind turbine generators, thermal power plants, hydraulic power plants, atomic power plants, solar power plants and other power plants based on conventional / nonconventional and any other source of energy.

RATIONALE

(C) This Scheme (as defined hereinafter) envisages the amalgamation of Artistique into AGL, resulting in consolidation of the business in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the two companies. Accordingly, it would be in the best interests of the Transferor Company and the Transferee Company and their respective shareholders. The proposed amalgamation of Artistique into AGL is in line with the global trends to achieve size, scale, integration and greater financial strength and flexibility and in the interests of maximizing shareholder value. The merged entity is likely to achieve higher long-term financial returns that could not be achieved by the companies individually. The Transferor Company and the Transferee Company believe that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Company and the Transferee Company pooled

in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth. Therefore, the management of the Transferor Company and the Transferee Company believe that this Scheme shall benefit the respective companies and other stake holders of respective companies, inter-alia, on account of the following reasons:

i. Enable Transferee Company to use the resources of Transferor Company and generate synergy in operations;

ii. Increase in net worth of Transferee Company, which will facilitate effective and fast mobilization of financial resources for meeting increased capital expenditure;

iii. Reduction of overheads and other expenses, facilitate administrative convenience and ensure optimum utilization of available services and resources.

Moreover, it will lead to the enhancement in the reputation of the brand "AGL" in all spheres in the ceramic tiles sector in India

(D) The proposed amalgamation and vesting of Artistique into AGL, with effect from the Appointed Date is in the interest of the shareholders, creditors, stakeholders and employees, as it would enable a focused business approach for the maximization of benefits to all stakeholders and for the purposes of synergies of business.

(E) This Scheme is divided into the following parts:

i. Part I, which deals with the introduction and rationale of the Scheme;

ii. Part II, which deals with the Definitions and Share Capital;

iii. Part III, which deals with the merger of the Transferor Company into the Transferee Company;

iv. Part IV, which deals with the accounting treatment to the Transferor Company and the Transferee Company under this Scheme;

v. Part V, which deals with the general terms and conditions as applicable to this Scheme.

The scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART II

1. DEFINITIONS

In this Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meanings:-

1.1 "**Act**" means the Companies Act, 1956 read together with the notified provisions of Companies Act, 2013 including any statutory modifications, re-enactment rules, regulations, notifications, amendments or statutory replacement or re-enactmentor amendments thereof.it is being clarified that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and Transferee Company, Section 391 and 394 of the Companies Act, 1956 continue to be in force with corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particulars provisions of Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of Companies Act, 2013, such references shall, unless a different intention appears, to be construed as reference to the provisions so re-enacted.

1.2 **"Applicable Law"** shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, orders or instructions having the force of law enacted or issued by the any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.

1.3 "**Appointed Date**" means the opening hours of the business on 1st day of July, 2015 or such other date as may be approved by the High Court of Gujarat or any other appropriate authority.

1.4 **"Appropriate Authority"** means any governmental, statutory, departmental or public body of authority in India, including Securities and Exchange Board of India; stock exchanges in India; Registrar of Companies, Company Law Board in India, National Company Law Tribunal ("NCLT"), the High Court of Gujarat.

1.5 "**Board of Directors**" or **"Board"**in relation to Transferor Company and/or Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.

1.6 **"BSE"** means the BSE Limited.

1.7 "**Court**" or the "**High Court**" means the Hon'ble High Court of Gujarat or the NCLT as the case may be.

1.8 "**Effective Date**" means the date on which certified copies of the order passed by the Hon'ble High Court of Gujarat is filed with the Registrar of Companies, Gujarat at Ahmedabad after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefore.

1.9 **"IT Act"** means Income tax Act, 1961

1.10 **"Long Stop Date"** shall mean 30th June 2017.

1.11 **"NSE"** means the National Stock Exchange of India Limited.

1.12 **"Lender"** or **"Lenders"**mean any person or entity that has granted or will grant any credit facility whether fund based or non-fund based and whether secured or unsecured, to the Transferor Company or the Transferee Company.

1.13 **"Record Date"** means the date to be fixed by the Board of Directors of Transferee Company in consultation with the Board of the Transferor Company for the purpose of reckoning names of the equity shareholders of the Transferor Company who shall be entitled to shares of the Transferee Company in accordance with Clause 5.1 of this Scheme.

1.14 "**Scheme**" or **"the Scheme"** or **"this Scheme"**means this Scheme of Amalgamation in its present form or with any modification(s) submitted to the Hon'ble High Court of Gujarator any other appropriate authority in relevant jurisdictions with any modification(s) thereof and as approved or imposed or directed by the High Court of Gujarat or any other appropriate authority, as applicable.

1.15 **"SEBI"**means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.16 **"SEBI Circulars"** means Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 and Circular No. CIR/CFD/DIL/1/2014 dated March 25, 2014 (which provides clarifications with respect to the aforementioned circular) each issued by SEBI or any other circulars issued by SEBI applicable to a scheme of arrangement / amalgamation.

1.17 "**Stock Exchange**" shall have the same meaning as ascribed to it under the Securities Contract (Regulation) Act, 1956.

1.18 **"Stock Exchanges"** means National Stock Exchange of India Limited and BSE Limited.

1.19 **"Transferee Company"** means Asian Granito India Limited, a company incorporated under the provisions of Act and having its registered office at 202, Dev Arc, Opp. Iskon Temple, Ahmedabad – 380 015, Gujarat.

1.20 "**Transferor Company**" means Artistique Ceramics Private Limited, a company incorporated under the provisions of Act and having its registered office at Plot No. 767, JTI, Kheda Dholka Highway, Village Radhu, Radhu – 387 560, Gujarat.

1.21 **"The Undertaking**" means and includes :

a. all the assets and properties of the Transferor Company as on the Appointed Date i.e. all the undertakings, the entire business, all the properties (whether movable or immovable –freehold or leasehold, tangible or intangible), plant and machinery, buildings and structures, including any advances for acquisition of land, allotment letters, sanctions, approvals, permits granted by any government or any other authority, offices, residential and other premises, capital work in progress, furniture, fixture, office equipment, appliances, accessories, power lines, deposits, stocks, assets, investments of all kinds and in all forms, cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases, hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permissions, permits, quotas, rights, entitlements, guarantees, authorizations, approvals, agreements, contracts, leasers, licenses, registrations, tenancies, benefits, of all taxes including but not limited to Minimum Alternate Tax ("MAT") paid under Section 115JA/115JB of the Income Tax Act, 1961 ("IT Act"), advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, unutilized MAT credit under the provisions of the IT Act, right to claim deductions under Section Chapter VI-A of the IT Act including its continuing benefits; engagements, arrangements of all kinds, exemptions, benefits, incentives, privileges and rights under State tariff regulations and under various laws, all facilities and entitlements given by the Office of Development Commission, Special Economic Zones (SEZ) under the SEZ Act, 2005 and rules made there under, if any,loan agreements, titles, interests, trade and service names and marks, patents, copyrights, and other intellectual property rights to use and avail of telephones, telexes, facsimile, email, interest, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programs, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records, and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company or which have accrued to the Transferor Company as on the Appointed Date, whether in Indiaor abroad, of whatsoever nature and where-ever situated, (hereinafter referred to as the "Assets");

b. all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date (hereinafter referred to as the "Liabilities");

c. without prejudice to the generality of Sub-Clause (a) above, the Undertaking of the Transferor Company shall include all the Transferor Company's Reserves, the movable and immovable properties, assets, including mining leases, lease-hold rights, tenancy rights, industrial and other licenses, permits, authorizations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities, rights and benefits of all agreements, guarantees including guarantees given by the State Government(s), all facilities and entitlements given by the Office of Development Commission, Special Economic Zones (SEZ) under the SEZ Act, 2005 and rules made there under, deeds, bonds, insurance policies and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever's situate, if any belonging to or in the ownership, power or possession or control of the Transferor Company.

d. all earnest monies and/or security deposits paid by the Transferor Company.

e. all the employees of the Transferor Company who are willing to become the employees of the Transferee Company.

1.22 In this Scheme, unless the context otherwise requires:

a) Words denoting singular shall include plural and vice versa;

b) Reference in the Scheme to "coming into effect of the Scheme" or "effectiveness of the Scheme" or "upon the Scheme being effective" shall mean from the Effective Date;

c) Headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

d) References to the word "include" or "including" shall be construed without limitation;

e) A reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

f) Unless otherwise defined, reference to the word "days" shall mean calendar days;

g) Reference to dates and times shall be construed to be references to Indian dates and times;

h) Reference to an act, regulation, circular, notification or a document includes an amendment or supplement to, or modification or replacement or novation or re-enactment of such act, regulation, circular, notification or document; and

i) Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Gujarat, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on 1st July, 2015is as under :-

Share Capital	Amount in Rs.
Authorized Share Capital	
50,00,000 Equity shares of Rs. 10 each	**5,00,00,000**
TOTAL	5,00,00,000
Issued, subscribed and paid-up Share Capital	
31,58,572 Equity shares of Rs. 10 each	**3,15,85,720**
TOTAL	3,15,85,720

The Transferor Company has allotted 16,21,622 shares of Rs. 10 each on 3rd July 2015. Apart from that, there has been no change in authorized, issued, subscribed and paid-up share capital of the Transferor Company after July 1, 2015 till the date of passing of board resolution approving the Scheme. Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company post allotment of above referred shares is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
50,00,000 Equity shares of Rs. 10 each	**5,00,00,000**
TOTAL	5,00,00,000
Issued, subscribed and paid-up Share Capital	
31,58,572 Equity shares of Rs. 10 each	**3,15,85,720**
Add: 16,21,622 Equity shares of Rs. 10 each	**1,62,16,220**
47,80,194 Equity shares of Rs. 10 each	4,78,01,940
TOTAL	4,78,01,940

3.2. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on 1st July, 2015 is as under: -

Share Capital	Amount in Rupees
Authorized Share Capital	
3,12,50,000 Equity shares of Rs. 10 each	**31,25,00,000**
TOTAL	31,25,00,000
Issued, subscribed and paid-up Share Capital	
2,25,82,541 Equity shares of Rs. 10 each	**22,58,25,410**
TOTAL	22,58,25,410

After July 1, there has been no change in authorized, issued, subscribed and paid-up share capital of the Transferee Companytill the date of passing of board resolution approving the Scheme

3.3. The existing equity shares of the Transferee Company are listed on NSE and the BSE. The equity shares of the Transferor Company are not listed on any Stock Exchange.

PART III

4. TRANSFER AND VESTING

4.1. With effect from the Appointed Date and upon this Scheme coming into effect, the Transferor Company along with its Undertaking shall stand merged with and be vested in the Transferee Company, as a going concern, without any further act or instrument and pursuant to the provisions of Sections 391 to 394 of the Act, together with all the properties, assets, rights, liabilities, benefits and interest therein, as more specifically described in the subsequent clauses of this Scheme.

4.2. With effect from the Appointed Date, the entire business and the whole of the Undertaking of the Transferor Company shall, without any further act or deed, be and stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company as a going concern, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, PROVIDED ALWAYS that this Scheme shall

not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become effective or otherwise. The transfer/vesting as aforesaid shall be subject to the existing charges/ hypothecation over or in respect of the Assets or any part thereof of the Transferor Company. Further, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed /to be availed by the Transferor Company or the Transferee Company. Similarly, the Promoters shall not be required to provide additional collateral security by way of pledge of their shareholding in the Transferor/Transferee Company.

4.3. Any legal or other proceedings by or against Transferor Company pending on the Effective Date and relating to the Undertaking (including property rights, powers, liabilities, obligations and duties) of Transferor Company shall be continued and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued and enforced by or against Transferor Company.

4.4. It is expressly provided that in respect of such of the assets of the Transferor Company as are moveable in nature or are otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company by physical delivery and shall become the property of the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act.

4.5. In respect of such of the Assets other than those referred to in sub-Clause 4.4 above, they shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act and shall form an integral part of the Undertaking.

4.6. The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.

4.7. With effect from the Appointed Date, all liabilities, debts, duties and obligations of the Transferor Company shall, without any further act or deed, also stand transferred to the Transferee Company, pursuant to the applicable provisions of the Act, so as to become as from the Appointed Date, the liabilities, debts, duties and obligations of the Transferee Company.

4.8. Upon the coming into effect of the Scheme, benefits of all taxes paid including but not limited to MAT paid under Section 115JA/115JB of the IT Act, advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, unutilized MAT credit under the provisions of the IT Act, right to claim deductions under Chapter VI-A of the IT Act including its continuing benefits, by the Transferor Company from the Appointed Date, if any regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same and shall be deemed to be the rights/ claims of the Transferee Company. All unavailed credits, set offs, claims for refunds under any State Value Added Tax Acts, CST Acts, Central Excise and Service Tax provisions or any other State or Central statutes regardless of the period to which they may relate, shall stand transferred to the benefit of and shall be available in the hands of the Transferee Company without restrictions under the respective provisions.

4.9. All secured and unsecured debts, (whether in rupees or in foreign currency), all liabilities whether provided for or not in the books of the Transferor Company, duties and obligations of the Transferor Company alongwith any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall be and stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company, so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. It is clarified that in so far as the assets of the Transferor Company are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Company shall without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which any of the Transferor Company and the Transferee Company are parties, and consistent with the joint obligations assumed by them under such arrangement.

4.10. All the properties including freehold & leasehold properties, leases, estates, assets, rights, titles, interests, benefits, licenses, consents, allotment letters, sanctions, approvals, permissions and authorities etc. as described in Clause 4.1 accrued to and/or acquired by the Transferor Company after the Appointed Date, shall have been and deemed to have accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of the Scheme, pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the properties, leases, estates, assets, rights, titles, interests, benefits, licenses, approvals, permissions and authorities etc. of the Transferee Company.

4.11. All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company after the Appointed Date, shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date.

4.12. All inter party transactions between the Transferor Company and the Transferee Company with as may be outstanding on the Appointed Date or which may take place subsequent to the Appointed Date and prior to the Effective Date, shall be considered as intra party transactions for all purposes from the Appointed Date. Any loans or other obligations, if any, due inter-se i.e. between the Transferor Company with the Transferee Company as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.

4.13. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961, such that the modification to not affect other parts of the Scheme.

5. CONSIDERATION

5.1. Upon this Scheme becoming effective and as consideration of the Scheme, the Transferee Company shall without any further application, act, instrument or deed, issue and allot to each equity shares, credited as fully paid up, to the extent indicated below, to the equity shareholders of Transferor Company and whose name appear in the register of members of the Transferor Company on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Transferor Company / Transferee Company in consideration of the amalgamation of Transferor Company into Transferee Company in the following ratio / proportion ("Share Exchange Ratio"):

"157 (One hundred and fifty seven) equity shares of face value of Rs.10/- at par each fully paid-up of Transferee Company for every 100 (One hundred) equity shares of face value of Rs.10/- each fully paid-up held in Transferor Company."

For avoidance of doubt, it is clarified that in respect of equity shareholders of the Transferor Company who, on the Record date do not hold equity shares in the Transferor Company in multiple of 100 (One hundred) shall be allotted number of fully paid-up equity shares of Rs. 10/- each at par of the Transferee Company in the same ratio as the actual number of equity shares held by the member in the Transferor Company on the Record Date, bear to the Share Exchange Ratio.

5.2. The equity shares to be issued and allotted by Transferee Company as above shall be subject to the provisions of the memorandum and articles of association of Transferee Company and shall rank paripassu in all respects including dividends.

5.3. In respect of fractional entitlements, if any, by Transferee Company, to the equity shareholders of Transferor Company at the time of issue and allotment of Transferee Company Equity Shares under Clause 5.1, the Board of Directors of Transferee Company shall consolidate all fractional entitlements, and allot Transferee Company Equity Shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of Transferee Company shall appoint in this behalf, who shall hold the Transferee Company Equity Shares issued in Transferee Company, in trust on behalf of the equity shareholders entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to Transferee Company, the net sale proceeds thereof, whereupon Transferee Company shall distribute such net sale proceeds (after deduction of applicable taxes), to the equity shareholders in proportion to their respective fractional entitlements. The Board of Directors of Transferee Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

5.4. The new equity shares issued pursuant to Clause 5.1 above shall be issued in the dematerialized form by Transferee Company unless otherwise notified in writing by the shareholders of Transferor Company to Transferee Company on or before such date as may be determined by the Board of Directors of Transferee Company. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Transferor Company shall be required to have an account with a depositary participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Transferee Company shall issue and directly credit the dematerialized securities account of such members of Transferor Company.

In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depositary participant or other confirmations as may be required, then Transferee Company shall issue the new equity shares in certificate form in such number.

Such physical share certificates (if any) shall be sent by Transferee Company to such equity shareholders of Transferor Company at their respective registered addresses, as appearing in the register of members maintained by Transferor Company as of Record Date with respect to their respective shareholders (or in the case of joint shareholders - to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit.

5.5. The Board of Directors of Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares pursuant to Clause 5.1 of the Scheme.

5.6. Equity shares of Transferee Company issued in terms of Clause 5.1 above shall be listed on the relevant stock exchange/s, where the existing equity shares of Transferee Company are listed and / or admitted to trading in accordance with the applicable laws including without limitation the SEBI Circulars. Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Lawsor regulations for complying with the formalities of the relevant stock exchanges.

5.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the Board of Directors of Transferee Company or any committee thereof if in existence, or failing which the Board of Directors or any committee thereof of Transferee Company shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in Transferor Company and in relation to the equity shares of Transferee Company after the Scheme becomes effective.

5.8. The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.

5.9. Approval of this Scheme by the shareholders of Transferee Company shall be deemed to be the due compliance of the provisions of Section 81(1A) or any corresponding provisions of Companies Act, 2013 or any other applicable law for the issue and allotment of equity shares by Transferee Company, as provided in this Scheme.

5.10. The approval of this Scheme by the shareholders of Transferee Company and Transferor Company under Section 391 and 394 of the Act or any corresponding provisions of Companies Act, 2013 shall be deemed to have the approval under Section 16, 31 and other applicable provisions of the Act or any corresponding provisions of Companies Act, 2013 and any other applicable law, including but not limited to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and any other consents and approvals required in this regard.

6. ALTERATIONS / AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION AND CONSOLIDATION OF AUTHORIZED CAPITAL

A. COMBINATION OF AUTHORISED CAPITAL

6.1. Upon sanction of the scheme, the authorised share capital of Transferee company shall stand increased without any further act, instrument or deed on the part of Transferee company including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of Transferor company amounting to Rs. 5,00,00,000/- (Rupees Five Crores only) comprising of 50,00,000 Equity Shares of Rs. 10/- each and the Memorandum of Association and Articles of Association of Transferee company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of Transferee company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorized capital of Transferor company shall be utilized and applied to the increased authorized share capital of Transferee company and there would be no requirement for any further payment of stamp duty and / or fee by Transferee company for increase in the authorised share capital to that extent.

6.2. Consequent upon the Scheme becoming effective, the authorised share capital of AGL will be as under:

Particulars	Rupees
Authorised Capital	
3,62,50,000 Equity Shares of Rs. 10/- each	36,25,00,000
Total	36,25,00,000

6.3. It is hereby clarified that the consent of the shareholders of Transferee company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61 or any other applicable provisions of the Companies Act, 2013, would be required to be separately passed.

B. OBJECT CLAUSE

6.4. With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended without any act, instrument or deed and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:

a) The current Clause [A].1. of the Memorandum of Association of the Transferee Company shall stand deleted in entirety and be substituted with the following paragraph:

i. To carry on in India or elsewhere in the world with or without collaboration the business to manufacturer, prepare, process, crush, cut, clean, blend, mix, excavate, pack, repack, design, store, paint, sell, purchase, trade, market, import, export, job work to act as manufacturer representatives and otherwise deal in tiles, glaze tiles, ceramic tiles, mosaic tiles, floor tiles, marble tiles, all kind of marbles, cement tiles, wall tiles, granite tiles, skirtings, china tiles, roofing tiles, porcelain tiles, and ceramic products and other by products related to it whether made of gypsum, lime, stone, porcelain, sand, ores, cement, concrete, asbestos, china-clay, chemical, stone, stone powder, canvas, glass, fibre and other man made synthetic or natural material, any combination and any raw materials and machinery thereof, all kinds of C.P. fitting including sewer pipes, drain pipes, concrete pipes related to sanitary wares of all kinds of sanitary wares including pedestal basin, water closet, urinals, wall mounted bathroom accessories, bip tap, pillar tap, automatic sensor faucet, wall mixer tap, adjustable shower, bathroom mirror, tooth brush holder, soap holder and towel ring, chromium plated nipple, chromium plated elbow, chromium plated plug, chromium plated end cap, cable glands, dc tape clip, pipe earthing clip, tape clip and chromium plated socket, washers, spring washers, plain washers, industrial washers, automotive washers of other related items thereto.

ii. To establish, own, run, maintain, generate, accumulate, receive, produce, improve, promote, develop, operate, employ, convert, transmit, distribute, handle, protect, buy, sell, re-sell, acquire, use, supply, lease and to act as agent, broker, distributor, supplier, representative, consultant, collaborator, vendor, buyer, seller, exporter, importer or otherwise to deal in electric / wind power or any other energy in all its branches or such place or places as may be permitted by appropriate authorities by the establishment of wind power plants, wind mills, wind and tidal waves, wind turbine generators, thermal power plants, hydraulic power plants, atomic power plants, solar power plants and other power plants based on conventional / nonconventional and any other source of energy.

b) It is clarified that upon approval of Scheme by the High Court the Transferee Company shall not be required to seek separate consent / approval of its shareholders for the alternation of the Memorandum and Articles of Association of the Transferee Company as required under Section 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Companies Act, 1956.

7. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE:

7.1. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the business and undertaking of Transferor Company for and on account of and in trust for the Transferee Company. Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

7.2. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Transferee Company alienate, charge, mortgage, encumber or otherwise deal with or dispose of Transferor Company or part thereof.

7.3. With effect from the Appointed Date and upto and including the Effective Date, all the profits or income accruing or arising to Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company pertaining to the business and undertaking of Transferor Company shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Transferee Company.

7.4. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the TransfereeCompany or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be, prior to the Appointed Date.

7.5. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company, may require pursuant to this Scheme.

8. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

On and from the Effective Date:

8.1. All employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company as on the Effective Date.

8.2. The accumulated balances standing to the credit of the employees of the Transferor Company on the Effective Date in the Provident Fund, Gratuity Fund, Superannuation Fund and/or other Funds and including any surplus in any such Funds created or existing for the benefit of the employees of the Transferor Company shall be identified, determined and transferred to the corresponding funds of the Transferee Company in due course.

9. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

9.1. Subject to other provisions of this Scheme, the Transferee Company shall accept all acts, deeds and things relating to the Undertaking of the Transferor Company done and executed by and/or on behalf of the Transferor Company on or after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of the Transferee Company.

9.2. Subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, leases, insurance policies and other instrument of whatsoever nature relating to the Undertaking to which the Transferor Company is a party and subsisting or having effect on or before the Effective date shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if, instead of the Transferor Company, the Transferee Company had at all material times been a party thereto.

9.3. On this Scheme finally taking effect as aforesaid:

a. All the agreements, guarantees, approvals, consents, permissions, licenses, sanctions, leases and the like entered into with and/or given by, as the case may be, the various Central/ State Governments, statutory or regulatory body or agencies or third parties with respectto the Transferor Company shall, without any further act, deed, matter or thing, stand transferred to and vested in the Transferee Company;

b. All business activities engaged in by the Transferor Company shall be continued by the Transferee Company under its own name; and

c. The Transferor Company shall stand dissolved without winding up.

10. LEGAL PROCEEDINGS:

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

PART IV

11. ACCOUNTING TREATMENT

11.1. Upon the Scheme becoming effective:

a. The Transferee Company shall account for amalgamation in accordance with the 'Pooling of Interest Method of Accounting' laid down by Accounting Standard 14 (Accounting for Amalgamation).

b. With effect from the Appointed Date, all the assets and liabilities, including reserves of Transferor Company shall be recorded in the books of the Transferee Company at their existing carrying values and in the same form.

c. Inter-company balances, if any, will stand cancelled.

d. The difference between the share capital of the Transferor Company and face value of new equity shares issued in terms of Clause 5.1 of this Scheme to the shareholders of Transferor Company shall be adjusted in Reserves of the Transferee Company

e. In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the Reserve Account mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

f. The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.

PART V

12. APPLICATION TO THE HIGH COURT

On the Scheme being agreed to by the requisite majorities of the members and creditors of the Transferor Company and the Transferee Company, the Transferor Company and the Transferee Company shall respectively and/or jointly with reasonable dispatch, apply to the Hon'ble High Court for sanctioning this Scheme of Amalgamation under Sections 391 to 394 of the Act and for an order or orders under Section 394 of the Act for carrying this Scheme into effect.

13. MODIFICATIONS/AMENDMENTS TO THE SCHEME

13.1. The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) may, in their full and absolute discretion, assent to any alterations or modifications in this Scheme which the Court may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty that may arise under the Scheme or in regard to its implementation or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective Company). In the event that any conditions are imposed by the High Court which the Transferor Company or the Transferee Company find unacceptable for any reason whatsoever then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from the Scheme.

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

14. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional upon and subject to:

a. The Scheme being agreed to by the respective requisite majorities of the members and creditors of the Transferor Company and the Transferee Company as required under the Act and the requisite order or orders referred to in Clause 12hereof being obtained;

b. The sanction of the Scheme by the Hon'ble High Court under Sections 391 and 394 of the Act;

c. Obtaining approval of the designated stock exchange as required under the SEBI Circular.

d. The certified copies of the order of the Hon'ble High Court referred to in Clause12 above being filed with the Registrar of Companies, Gujaratat Ahmedabad.

e. Any other sanction or approval of any governmental or regulatory authority, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

15. EFFECTIVE DATE OF THE SCHEME

15.1. This Scheme shall become effective when all the following conditions are fulfilled:

a. The Scheme being approved by the requisite majority of the shareholders and creditors of the Transferor Companyand the Transferee Company as may be required under the Act and/or the orders of the High Court.

b. The Scheme is sanctioned by the said High Courtunder Section 394 of the Act.

c. The certified copy of the order of the said High Court sanctioning the Scheme is filed with the Registrar of Companies, Gujaratat Ahmedabad.

15.2. In the event of this Scheme failing to take effect finally within such period or periods as may be decided by the Transferor Company (by its Directors) and the Transferee Company (by its Directors), this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or by incurred inter se to or by the Parties or any one of them. In such a case, each company shall bear its own cost or as may be mutually agreed.

15.3. The Transferor Company and the Transferee Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed through the Board of Directors of the Transferor Company and the Transferee Company. In such a case, each company shall bear its own cost or as may be mutually agreed.

16. OPERATIVE DATE OF THE SCHEME

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

17. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall be dissolved without winding up in accordance with the provisions of Sections 391 to 394 of the Act.

18. SCHEME RENDERED NULL AND VOID

18.1. This Scheme although comes into operation from the Appointed Date shall not become effective until the last of the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 14 shall be obtained or passed. The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

18.2. In the event of this Scheme failing to take effect on or before Long Stop Date, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the Parties or any one of them and accordingly Transferor and Transferee Company shall be entitled to take requisite steps to withdraw the Scheme.

18.3. In the event the Board of Directors of the Transferor Company and the Transferee Company, either through itself or through a committee appointed in this behalf, agree to proceed with the sanctioning of the Scheme in part, the Transferor Company and the Transferee Company shall proceed with the High Court's Order for sanctioning of the Scheme in part.

19. EXPENSES CONNECTED WITH THE SCHEME

19.1. Save and except as provided elsewhere in the Scheme, all costs, charges taxes, levies and other expenses including registration fee of any deed, in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of the Scheme shall be borne and paid by the Transferee Company.

19.2. In the event that this Scheme fails to take effect within such period or periods as may be decided by the Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), or the Scheme is rendered null and void in terms of Clause 18 above of this Scheme then, the Transferor Company and Transferee Company shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

20. GENERAL TERMS AND CONDITIONS

20.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make all applications / petitions under Section 391 and 394 and other applicable provisions of the Act to the Court for the sanctioning of the Scheme and obtain all approvals and consents as may be required under law or any agreement.

20.2. The respective Board of Directors of the Transferor Company and the Transferee Company may empower any Committee of Directors or Officer(s) or any individual director, officer or other person to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under the Scheme.

20.3. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferee Company and the Transferor Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

20.4. If any part of this Scheme is invalid, ruled illegal by any court(s) or authority of competent jurisdiction or unenforceable under the present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

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KEYNOTE

August 22, 2015

The Board of Directors
Asian Granito India Limited
202, Dev Arc, Opp. Iskcon Temple,
S.G. Highway, Ahmedabad - 380015,
Gujarat, India.

The Board of Directors
Artistique Ceramics Private Limited
Plot No. 767, JTI,
Kheda Dholka Highway,
Village Radhu, Radhu – 387 560

Dear Sir/Madam,

Reg: Fairness Opinion on the Share Exchange ratio with respect to the Scheme of Merger of Artistique Ceramics Private Limited ("ACPL") with Asian Granito India Ltd ("AGIL")

Keynote Corporate Services Limited ("**Keynote**" or "**we**" or "**us**") is Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We have been requested to issue a report on fairness on the Share Exchange ratio with respect to the Scheme of Merger of Artistique Ceramics Private Limited ("ACPL") with Asian Granito India Ltd ("AGIL") *collectively referred as ("Companies")*. We have perused the documents/ information provided by you in respect of the said Merger and the Valuation Report as issued by **N C Vaishnav & Co, Chartered Accountants** dated August 21, 2015 and state as follows:

Company Profile:

Asian Granito India Limited ("Transferee Company") is a public listed company incorporated under the provisions of Companies Act, 1956 in the State of Gujarat and having its registered office at 202, Dev Are, Opp. Iskon Temple, Ahmedabad - 380 015, Gujarat. It was originally incorporated on August 8, 1995 as a private limited company under the name and style of Karnavati Fincap Private Limited as per certificate of registration issued by Registrar of Companies, Gujarat Dadra & Nagar Haveli. Subsequently, the Transferee Company was converted into a public limited company and consequently the name of Transferee Company was changed to Karnavati Fincap Limited with effect from August 29, 1995. Subsequently, the name of the Transferee Company was again changed to Panchariya Textile Industries Limited with effect from March 18, 1999. Further again, the name of the Transferee Company was changed to Vasudev Textile Industries Limited with effect from July 28, 2000. Again subsequently, the name of the Transferee Company was changed to Asian Granito India Limited with effect from November 25, 2002.

AGIL specializes in the manufacturing, selling and exporting of wall and floor tiles. It's product portfolio includes vitrified tiles, ceramic wall tiles, marbles stones, grestek, crystal collection, aquart, and quartz stones where some products are exported to various parts of the world such as United States, Africa, Gulf countries, and the Middle Eastern countries. The equity shares of AGIL are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India Limited (NSE). As per the audited accounts for the year ended 31st March 2015, AGIL reported consolidated revenues of INR 8,414 million, net profit after tax of INR 145.01 million and net worth attributable to equity shareholders of INR 2,945 million. The

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current paid up equity share capital of AGIL is about INR 225.80 million consisting of 22,582,541 equity shares of face value of INR 10 each fully paid up.

Artistique Ceramics Private Limited ("Transferor Company") is a private limited company incorporated under the provisions Companies Act, 1956 in the State of Gujarat on May 21, 2004 and having its registered office at Plot No. 767, JTI, Kheda Dholka Highway, Village Radhu, Radhu – 387 560.

It is primarily engaged in the business of manufacturing of ceramic wall tiles. As per the audited financial statements for the year ended 31st March 2015, ACPL reported revenues of INR 293 million, net profit aftertax of INR 32.5 million and networth attributable to equity shareholders of INR 118 million. The current paid up equity share capital of ACPL is about INR 47.80 million consisting of 4,780,194 equity shares of face value of INR 10 each fully paid up,

Rationale of the Report:

We have been informed that, pursuant to a Scheme of Merger under sections 391 to 394 of the Companies Act, 1956 and subject to necessary approvals, the management of the Companies are proposing to merge ACPL with AGIL on a going concern basis with effect from 1st July 2015 *(the "Appointed Date") and* ACPL would cease to exist. The equity shareholders of ACPL will be issued equity shares of AGIL as consideration for the Proposed Merger.

In this regard, we have been requested to suggest Fairness on the Share Exchange ratio for issue of equity of AGIL to the equity shareholders of ACPL for the purpose of proposed merger.

Sources of Information:

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

a) Valuation Report by **N C Vaishnav & Co, Chartered Accountants** dated August 21, 2015;
b) Audited Financial Statements of the Companies and its subsidiaries for the years ended 31st March 2012, 31st March 2013, 31st March 2014 and 31st March 2015;
c) Unaudited Financial Statements of AGIL and ACPL for the period upto 30th June 2015.
d) Draft Scheme of Merger;
e) Other relevant information/documents regarding AGIL and ACPL such as their history, past and present activities, the merger process, future plans and prospects post the merger including information available through public domain

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

Our Recommendation:

As stated in the Valuation Report, **N C Vaishnav & Co, Chartered Accountants** have recommended the following Share Exchange Ratio:

"157 (One hundred and Fifty Seven) equity share of AGIL of INR 10/- each fully paid up for every 100 (One Hundred) equity shares of ACPL of INR 10/- each fully paid up"

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The aforesaid Merger shall be pursuant to the Draft Scheme of Merger and shall be subject to receipt of approval from the Jurisdictional High Court of Gujarat and other statutory approvals as may be required. The detailed terms and conditions of the merger are more fully set forth in the Draft Scheme of Merger. Keynote has issued the fairness opinion with the understanding that Draft Scheme of Merger shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Merger alters the transaction.

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the share Exchange ratio for the equity shareholders as suggested by N C Vaishnav & Co, Chartered Accountants proposed under the Scheme of Merger is fair in our opinion.

Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by AGIL and ACPL for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, or estimates of value to be realized for the assets of AGIL and ACPL. We have solely relied upon the information provided to us by AGIL and ACPL. We have not reviewed any books or records of AGIL and ACPL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of AGIL and ACPL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of AGIL and ACPL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by AGIL and ACPL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of AGIL and ACPL with respect to these matters. In addition, we have assumed that the Draft Scheme of Merger will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Merger.

We understand that the managements of AGIL and ACPL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Merger, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that AGIL and ACPL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving AGIL and ACPL or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to AGIL and ACPL for providing a fairness view on the share Exchange ratio and will receive a fee for our services.

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KEYNOTE

Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the transaction.

It is understood that this letter is solely for the benefit of and confidential use by the Board of Directors of AGIL and ACPL, shareholders of AGIL and ACPL, SEBI and the Stock Exchanges for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management of AGIL and ACPL should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to AGIL's or ACPL's underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares of AGIL and ACPL should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of AGIL will trade following the announcement of the transaction or as to the financial performance of AGIL and ACPL following the consummation of the transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, AGIL and ACPL and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**

Nipun Lodha
Executive Vice-President and Head- Corporate Finance
SEBI Registration No. INM000003606
(Merchant Banker)

Asian Granito India Limited Ahmedabad

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Keynote Corporate Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 • Email: info@keynoteindia.net • Website: www.keynoteindia.net
CIN-L67120MH1993PLC072407

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Asian Granito India Ltd.
Regd. & Corp. Office:
202, Dev Arc, Opp. Iskcon Temple, S. G. Highway,
Ahmedabad-380015. Gujarat, India.
Tel.: +91 79 66125500/698.
Fax.: +91 79 66125800/66058672
info@aglasiangranito.com • www.aglasiangranito.com

Asian Granito India Ltd.

Complaints Report

As on 05th October 2015

Part A

Complaint Report:

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock exchanges	NIL
3.	Total number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
Not Applicable			

Thank You.

Yours Sincerely,

For **Asian Granito India Limited**

Renuka Upadhyay

Company Secretary& Compliance Officer

Asian Granito India Limited • Ahmedabad •

DCS/AMAL/AC/24(f)/262/2015-16 January 15, 2016

The Company Secretary
Asian Granito India Limited
202 Dev Arc, Opposite Iskon Tample SG Highway,
Ahmedabad, Gujarat, 380015.

Sub: Observation letter regarding the Draft Scheme of Arrangement involving amalgamation of M/s Artistique Ceramics Private Limited and M/s Asian Granito India Limited.

We are in receipt of Draft Scheme of Arrangement involving amalgamation of M/s Artistique Ceramics Private Limited and M/s Asian Granito India Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated January 13, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"To duly comply with various provisions of the Circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the Circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

i. Copy of the High Court approved Scheme;
j. Result of voting by shareholders for approving the Scheme;
k. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
l. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
m. Status of compliance with the Observation Letter/s of the stock exchanges;
n. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
o. Complaints Report as per Annexure II of this Circular.
p. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange,Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin pujari
Manager

BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/57835

January 15, 2016

The Company Secretary
Asian Granito India Limited
202, Dev Arch,
Opposite Iskon Tample,
S. G. Highway,
Ahmedabad - 380015

Kind Attn.: Ms. Renuka A. Upadhyay

Dear Madam,

Sub: Observation letter for draft Scheme of Amalgamation of Artistique Ceramics Private Limited (Transferor Company) into Asian Granito India Limited (Transferee Company) and their respective shareholders and creditors

This has reference to draft Scheme of Amalgamation (under section 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013) of Artistique Ceramics Private Limited (Transferor Company) into Asian Granito India Limited (Transferee Company) and their respective shareholders and creditors submitted to NSE vide your letter dated September 1, 2015.

Based on our letter reference no Ref: NSE/LIST/45479 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide letter dated January 13, 2016, has commented that "The Company shall duly comply with various provisions of the Circulars".

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from January 15, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.

1.

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

Continuation Sheet

d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Samir Naringrekar
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer: Samir Naringrekar
Date: Fri, Jan 15, 2016 21:30:08 GMT+05:30
Location: NSE

2.

NSE

ASIAN GRANITO INDIA LIMITED

CIN No: L17110GJ1995PLC027025
Registered Office: 202, Dev Arc, Opp. Iskon Temple, Sarkhej Gandhinagar Highway, Ahmedabad – 380 015
Ph. No.: 079-66125500 / 698; Fax.: 079-66125600 / 66058672
email id: cs@aglasiangranito.com; website: www.aglasiangranito.com

(To be handed over at the entrance of the meeting venue)

ATTENDANCE SLIP

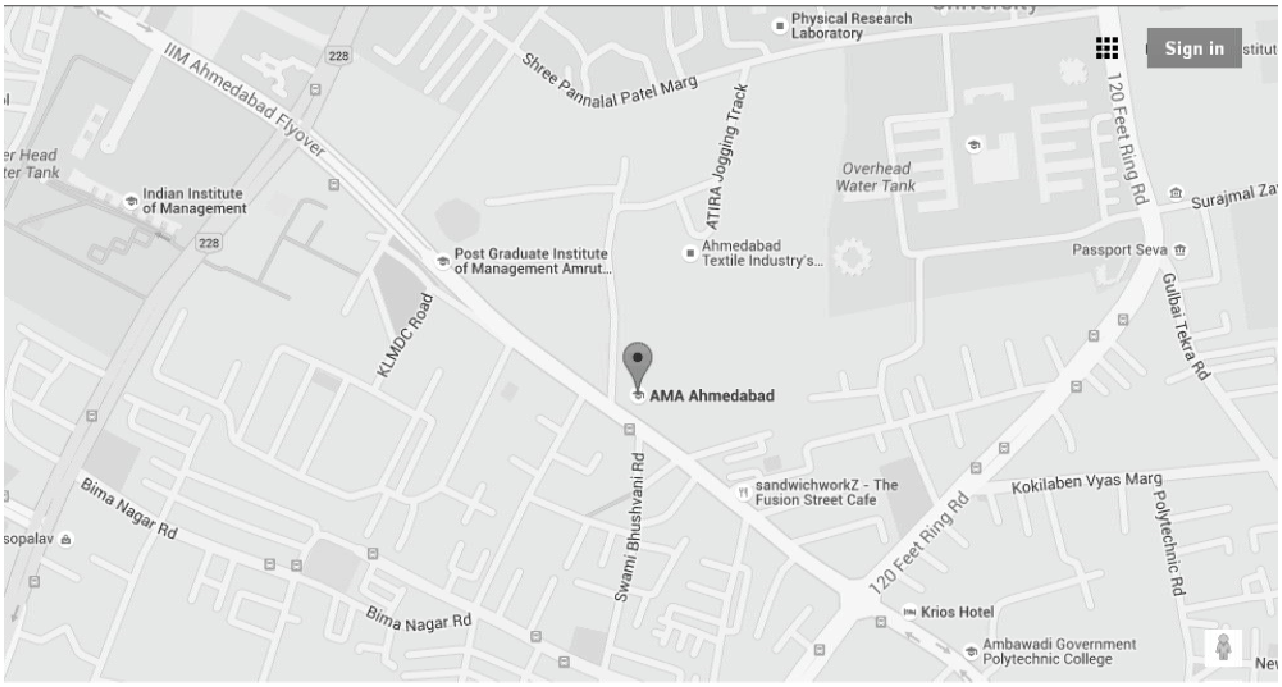
Name of the Secured Creditors	
Address of the Secured Creditors	
Debt Value in Rs.	
Name of Proxy or Authorized Representative: Mr./Ms./Mrs.	
Address of the Proxy	

I / We _____hereby record my presence at the Court Convened Meeting of the Secured Creditors of Asian Granito India Limited, the Applicant Company, convened pursuant to the Order dated 15th February, 2016 of the Hon'ble High Court of Gujarat, at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015 on Friday, March 18, 2016 at 2:00 P.M.

_____
Signature of Secured Creditor / Proxy / Authorized Representative

Notes:
1. Please bring this attendance slip when coming to the meeting.
2. Please do not bring with you any person who is not a member of the Company at the meeting.

Route MAP for Court Convened Meeting of Secured Creditors



ASIAN GRANITO INDIA LIMITED

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 55 OF 2016

In the matter of Companies Act, 1956
And
In the matter of
Section 391 to 394 of the Companies Act, 1956
And
In the matter of Asian Granito India Limited
And
In the matter of Scheme of Amalgamation
Of
Artistique Ceramics Private Limited (Transferor Company)
Into
Asian Granito India Limited (Transferee Company)

Asian Granito India Limited, a company incorporated)
Under the provisions of the Companies Act, 1956, and)
Having its registered office situated at 202, Dev Arc,)
Opp. Iskon Temple, S.G. Highway,)
Ahmedabad – 380 015) ……..…….Applicant Company

FORM OF PROXY

I / We, the undersigned Secured Creditors of Asian Granito India Limited, the Applicant Company, hereby appoint Mr./Ms. _____of _____and failing him / her Mr. /Ms. _____of _____as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Court Conveyed Meeting of the Secured Creditors of the Company, to be held on Friday, March 18, 2016 at 2:00 P.M.at AMA Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat 380 015, for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation of Artistique Ceramics Private Limited into Asian Granito India Limited and their respective shareholders under section 391 to 394 of the Companies Act,1956 at such meeting and any adjournment or adjournments thereof, to vote for me/us and in my/our name(s) _____
(here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said amalgamation embodied in the Scheme and the resolution, either with or without modification(s)*, as my/our proxy may approve.

*strike out whatever is not applicable

Signed this ..... day of 2016
Name and Address of the Secured Creditor……
……
……
Signature of Secured Creditor ……..
Signature of Proxy……..

Affix Re. 1 Revenue Stamp

Signature across stamp

Notes :

a) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company at 202, Dev Arc, Opp. Iskon Temple, S.G. Road, Ahmedabad – 380 015, not less than 48 hours before the time for holding the meeting.
b) A proxy need not be a secured creditor of the company
c) All alterations made in the form of proxy should be initialed.
d) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of Court Convened Meeting of Secured Creditors.

By Regd. Post

ASIAN GRANITO INDIA LIMITED

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