

January 02, 2022

The General Manager,
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.
Scrip code: 531548

The Manager,
Listing Compliances
National Stock Exchange of India
Ltd., Exchange Plaza, C-1, Block G,
Bandra – Kurla Complex,
Bandra(E), Mumbai – 400 051.
Symbol: SOMANYCERA

Dear Madam, Sirs,

Subject: Update - Scheme of Amalgamation of Schablona India Limited with Somany Ceramics Limited.

In connection with the proposed Scheme of Amalgamation of Schablona India Limited with Somany Ceramics Limited under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder, the order was pronounced by the Hon'ble National Company Law Tribunal, Kolkata on December 20, 2021 approving the scheme of amalgamation of Schablona India Limited with Somany Ceramics Limited.

This is to inform you that the Company has received the certified true copy of the abovementioned order on December 31st, 2021 and the same is enclosed herewith.

Please note that the order on petition filed by the Transferor Company - Schablona India Limited before the Hon'ble NCLT, New Delhi was pronounced on December 24, 2021 and the certified true copy of the same has already been filed by the Transferor Company with its stock exchange.

This disclosure is being made in terms of Regulation 30 of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Yours faithfully,

For Somany Ceramics Limited

Ambrish Julka
GM (Legal) and Company Secretary

Enclosed: certified true copy of the Order



Form No. CAA.7

[Pursuant to Section 230 and rule 20]

IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH

CP (CAA) 95/KB of 2021

Connected with

CA (CAA) 731/KB of 2020

In the matter of:

The Companies Act, 2013 - section
230(6) read with 232(3)

And

In the matter of:

SOMANY CERAMICS LIMITED
(CIN L40200WB1968PLC224116), a
public limited company
incorporated under the Companies
Act, 1956 and being a Company
within the meaning of the
Companies Act, 2013, having its
registered office at 2, Red Cross
Place, Kolkata-700 001, West Bengal

..... Petitioner/Transferee
Company

AND

In the matter of:

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SCHABLONA INDIA LTD (CIN L51109DL1983PLC318655), a public limited company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013, having its registered office at 82/19, Bhakerwara Road, Mundka, New Delhi-110 041

.....Non-Petitioner/Transferor
Company

In the matter of:

SOMANY CERAMICS LTD

.....Petitioner

Order Under Section 230 to 232

1. The above Company Petition coming on for further hearing on the 09th day of November 2021 and upon hearing the advocate appearing for the Petitioners and upon hearing Regional Director, Eastern Region representing the Central Government the final order was passed on 20th day of December 2021.

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2. The instant petition has been filed under Section 230(6) read with 232(3) of the Companies Act, 2013 ("Act") for sanction of the Scheme of Amalgamation of SCHABLONA INDIA LIMITED, being the Non-Petitioner above named ("Transferor Company" or "Non-Petitioner") with SOMANY CERAMICS LIMITED, being the Petitioner above named ("Transferee Company" or "Petitioner") whereby and whereunder the Transferor Company is proposed to be amalgamated with the Transferee Company from the Appointed Date, viz 01.04.2019 in the manner and on the terms and conditions stated in the said Scheme of Amalgamation ("Scheme").

3. The Petition has now come up for final hearing. Counsel for the Applicants submits as follows:

- (a) The Scheme was approved unanimously by the respective Board of Directors of the Non-Petitioner Transferor Company and the Petitioner Transferee Company at their meetings held on 22.08.2019, respectively.
- (b) The circumstances which justify and/or have necessitated the Scheme of Amalgamation of Schablona India Ltd with Somany Ceramics Ltd and the benefit of the same are, inter alia, as follows:
 - i. Both the Transferor and Transferee Companies are under common control and it would be advantageous to combine the activities and operations in a single Company

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and to build strong capability to effectively meet future challenges in competitive business environment.

- ii. The proposed Amalgamation would result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- iii. Presently, the Transferor Company is engaged in the business of manufacturing and trading of decorated tiles, transfers and stickers for decoration on ceramic articles, sanitaryware and other related activities. Whereas, the Transferee Company is engaged in the business of manufacturing and trading of ceramic tiles, polished vitrified tiles, glazed vitrified tiles, sanitaryware and bath fittings, tile laying solutions, other allied products and other related activities. The proposed amalgamation will enable the integration of the business activities of the Transferor Company with the Transferee Company
- iv. The Transferor Company has a credible brand name along with a sizeable pan India distribution network. Whereas, the Transferee Company is a well know player in the ceramic and sanitaryware industry. The proposed Scheme of Amalgamation will allow the Transferee Company to leverage these strengths in order to maximise the value creation.
- v. The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company

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including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.

- vi. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
 - vii. The proposed amalgamation would enhance the Equity Shareholders' value of the Transferor and the Transferee Companies.
 - viii. The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their Equity Shareholders, employees and other stakeholders and all concerned.
- (c) The Statutory Auditors of the Non-Petitioner Transferor Company and the Petitioner Transferee Company have by their certificates dated 22.08.2019 and 17.01.2020, respectively, confirmed that the accounting treatment in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

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- (d) No proceedings are pending under Sections 210 to 227 of the Companies Act, 2013 against the Petitioner Company.
- (e) The exchange ratio of shares in consideration of the Amalgamation has been fixed on a fair and reasonable basis and on the basis of the Report thereon of Mr Vardhman Doogar, a Chartered Accountant and Registered Valuer in respect of Securities or Financial Assets registered with the Insolvency and Bankruptcy Board of India (IBBI). The following Share Exchange Ratio has been proposed:
- i. The Transferee Company-Somany Ceramics Ltd will issue 3 (three) Equity Shares of ₹2 each, credited as fully paid up, for every 100 (one hundred) Equity Shares of ₹4 each held in the Transferor Company-Schablona India Ltd.
- (f) The shares of the Transferor and Transferee Companies are public limited listed companies, under the common control. The Transferor Company is listed on BSE Ltd (Bombay Stock Exchange/BSE). Whereas, the Transferee Company is listed on Bombay Stock Exchange and National Stock Exchange of India Ltd (National Stock Exchange/NSE).
- (g) In compliance with Securities and exchange Board of India ("SEBI") circular dated 10.03.2017 on schemes of Arrangements, as ammended from time to time ("SEBI Circular"), the Petitioner duly filed the Scheme with the Stock Exchange(s) for their approval to the same. The Bombay Stock Exchange and National Stock Exchange by their respective

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letter dated 22.04.2020 have confirmed that they have 'no adverse observation' on the Scheme.

(h) By an order dated 02.02.2021 in Company Application (CAA) No. 731/KB of 2020, this Tribunal made the following directions with regard to meeting(s) of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company under section 230(1) read with section 232(1) of the Act.

i. Meeting(s) directed to be held:

Seperate meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Transferee Company were convened on Wednesday, 31.03.2021 through video conferencing with facility of remote e-voting, in the presence of Shri Mr. Rohit Keshri, A.C.S., Common Chairperson and Smt Mallika Tayal, PCS, Scrutinizer. The Scheme of Amalgamation was considered and approved unanimously/with overwhelming majority in the meetings.

(i) Consequently, the Petitioner Company presented the instant petition for sanction of the Scheme. By an order dated 02.09.2021 the instant petition was admitted by this Tribunal and fixed for hearing on 01.11.2021 for issuance of notices to the RD, ROC & the Income Tax Department and advertisement of date of hearing.

(j) In compliance with the said order dated 02.09.2021, the Petitioner Company has duly served such notices to (a) the



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Central Government through the office of the Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata; (b) the Registrar of Companies, West Bengal, Kolkata; (c) the Income Tax Department; (d) Bombay Stock Exchange, Mumbai on 23rd October, 2021 through Speed Post. The Petitioner Company has also published such advertisements in English Newspaper "Business Standard" (Kolkata Edition) and Bengali Newspaper "Aajkaal" (Kolkata Edition) in their respective issues dated 23.10.2021. Compliance Affidavit in this regard has been filed by the Petitioner Company on 27.10.2021.

- (k) All statutory formalities requisite for obtaining sanction of the Scheme have been duly complied with by the Petitioner Company. The Scheme has been made *bona fide* and is in the interest of all concerned.

4. Pursuant to the said advertisements and notices the Regional Director, Ministry of Corporate Affairs, Kolkata ("RD") and Income tax, Kolkata have filed their representations before this Tribunal.

5. The RD has filed his reply affidavit dated 29.10.2021 ("RD affidavit") which has been dealt with by the Petitioner(s) by their Rejoinder affidavit dated 30.10.2021 ("Rejoinder"). The observations of the RD and responses of the Petitioner Company are summarized as under:

- (a) **Paragraph No.2 (a) of RD Affidavit:** It is submitted that the Transferor Company, M/s Schablona India Ltd is registered

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with the ROC, Delhi which is not under the jurisdiction of this Deponent. Hence, this Deponent has no comment on it.

Paragraph No.5 (a) of Rejoinder: The contents of para 2. (a) are matter of record and need no reply. It is however pertinent to mention that the Learned Registrar of Companies, New Delhi and the Leaned Regional Director (Northern Region), New Delhi have already filed their respective Reports before the NCLT, Principal Bench, New Delhi with respect to the Non-Petitioner Transferor Company. Subsequently, the NCLT, Principal Bench, New Delhi was pleased to reserve its Orders in the matter.

- (b) **Paragraph No.2 (b) of RD Affidavit:** That it is submitted that on examination of the report of the Registrar of Companies, West Bengal, it appears that no complaint and/or representation has been received against the proposed Scheme of Amalgamation of Transferee Company Somany Ceramics Limited. Further, the Transferee Company has filed financial statement up to the financial year 31/03/2020.

Paragraph No.5 (b) of Rejoinder: The contents of para 2. (b) are matter of record and need no reply.

- (c) **Paragraph No.2 (c) of RD Affidavit:** Appointed Date stated in the Scheme is 01.04.2019. In terms of the Circular no. 09/ 2019 dated 21.08.2019 of the Ministry of Corporate Affairs, "where the (appointed date is chosen as a specific calendar date, it may precede the date of filing of the application for scheme of merger/amalgamation in NCLT. However, if the appointed date is significantly ante dated beyond a year from the date of

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filing. The justification for the same would have to be specifically brought out in the scheme and it should not be against public interest. It is not ascertainable from the documents provided by the Applicant whether the application for the scheme was filed before Tribunal within a year from 01.04.2019. If the application for the scheme was filed with Tribunal after more than one year from the appointed date, Tribunal may kindly direct the Applicant to bring out the justification for the appointed date being more than one year before date of filing of the application for the scheme, in the scheme according to the Circular.

Paragraph No.5(c) of Rejoinder: With regard to the compliance of General Circular No. 9/2019 issued by Ministry of Corporate Affairs ("MCA"), we do hereby clarify and confirm that the Scheme of Amalgamation was approved by the Board of Directors of the Petitioner Transferee Company and the Non-Petitioner Transferor Company in their respective meetings held on 22.08.2019. Accordingly, the Appointed Date was fixed as 01.04.2019, being the first day of the financial year 2019-20. Since both the Transferor and Transferee Companies are Listed Companies, the Scheme of Amalgamation and other documents were filed with BSE and NSE for their no-objection/approval. On receipt of the no-objection from the BSE and NSE, the requisite Applications/Petitions were filed with the Tribunal at Kolkata and New Delhi Benches by the Transferee Company and the Transferor Companies, respectively. Due to the on-going COVID-19 pandemic, the approval of the Scheme by BSE

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and NSE took longer than usual. It may be noted that the Scheme of Amalgamation contains definition of the term "Appointed Date" being 01.04.2019 as a specific calendar date which is in compliance with the requirements of General Circular No. 9/2019 issued by Ministry of Corporate Affairs ("MCA"). Further, the Transferee Company undertakes to comply with all the other requirements laid under said circular issued by MCA to the extent applicable. The Petitioner Company confirms that the Scheme will take effect from the Appointed Date as per Section 232(6) of the Companies Act, 2013.

- (d) **Paragraph No.2 (d) of RD Affidavit:** Petitioner Company should undertake to comply with the provisions of section 232(3)(i) of Companies Act, 2013, through appropriate affirmation.

Paragraph No.5(d) of Rejoinder: With regard to the compliance of section 232(3)(i), we do hereby clarify and confirm that Para 10.c of the Scheme of Amalgamation provides that in terms of the provisions of section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the authorised share capital of the Transferor Company shall be added to and shall form part of the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Transferee Company shall stand increased to the extent of the aggregate authorised share capital of the Transferor Company as on the effective date. However, it is pertinent to note that Para 10.c of the Scheme of the Arrangement clearly provides that the



Transferee Company will pay the balance fee and other charges, if any, on the aforesaid increase in the authorised share capital after deducting the aggregate fees and other charges, if any, paid by the Transferor Company on the pre-merger authorised share capital.

- (e) **Paragraph No.2 (e) of RD Affidavit:** That the Transferee Company should be directed to pay applicable stamp duty on the transfer of the immovable properties from the Transferor Company to it.

Paragraph No.5(e) of Rejoinder: With regard to payment of stamp duty on the transfer of immovable properties from the Transferor Company to the Transferee Company, we do hereby undertake to pay appropriate stamp duty that may arise on any transfer of immovable property from the Transferor Company to the Transferee Company.

- (f) **Paragraph No.2 (f) of RD Affidavit:** In compliance of Accounting Standard-14 or IND AS-103, as may be applicable, the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 or IND AS-8 etc.

Paragraph No.5 (f) of Rejoinder: With regard to the compliance of Accounting Standard AS-14 or Ind AS-103, the Petitioner Transferee Company undertakes to pass such accounting entries which are necessary in connection with the Scheme to comply with such accounting standards notified under Section 133 of the

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Companies Act, 2013 as may be applicable to the Petitioner/Non-Petitioner Companies (including Ind AS 103 and Ind AS-8).

- (g) **Paragraph No.2 (g) of RD Affidavit:** The Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per section 230(6) of the Companies Act, 2013 in meetings duly held in terms of Section 230(1) read with sub-sections (3) to (5) of Section 230 of the said Act and the minutes thereof are duly placed on record.

Paragraph No.5(g) of Rejoinder: With regard to the approval of Scheme by the requisite majority of Shareholders and Creditors of the Petitioner Company, we do hereby clarify and confirm that the Scheme of Amalgamation has been approved by the Equity Shareholders, Secured Creditors and Un-secured Creditors of the Transferee Company in their respective meetings held on Wednesday, 31.03.2021, through video conferencing with facility of remote e-voting convened under the supervision of the Tribunal. The Scheme of Amalgamation was considered and approved unanimously/with overwhelming majority in the meetings.

- (h) **Paragraph No. 2 (h) of RD Affidavit:** The Tribunal may kindly direct to the Petitioners to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy or no change is made.

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Paragraph No.5(h) of Rejoinder: With regard to the confirmation that the Scheme enclosed to the Company Application and Company Petition are one and same, we do hereby clarify and confirm that the Scheme enclosed to the Company Application and Company Petition are one and the same and that there is no discrepancy or changes made therein.

- (i) **Paragraph No. 2 (i) of RD Affidavit:** The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Amalgamation or arrangement. Further, the approval of the scheme by the Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities shall be binding on the Petitioner Company(s) concerned.

Paragraph No. 5 (i) of Rejoinder: With regard to service of notice to the statutory authorities under Section 230(5) of the Companies Act, 2013, we do hereby clarify and confirm that in terms of provisions of section 230(5) of the Companies Act, 2013, and in compliance with the Order dated 02.02.2021 (date of pronouncement), passed by the Tribunal in the 1st Motion Application, formal notices of 1st Motion Application and 2nd Motion Petition have been sent to the following Statutory Authorities, along with the complete Paper Books:

- i. The Central Government through the office of the **Regional Director**, Eastern Region, Ministry of Corporate Affairs, Nizam Palace, 2nd MSO Building, 3rd Floor, 234/4,

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Acharya Jagdish Chandra Bose Road, Kolkata 700 020 on 01.03.2021, through Speed Post (ED765101603IN), 21.06.2021, through Speed Post (ED211289867IN) and 23.10.2021, through Speed Post (ED164194117IN).

ii. The **Registrar of Companies**, West Bengal, Ministry of Corporate Affairs, Nizam Palace, 2nd MSO Building, 234/4, Acharya Jagdish Chandra Bose Road, Kolkata 700 020 on 01.03.2021, through Speed Post (ED765101736IN), 21.06.2021, through Speed Post (ED211289751IN) and 23.10.2021, through Speed Post (ED164194125IN).

iii. The **Income Tax Department** in Circle 5(1), Aayakar Bhawan, P-7, Chowringhee Square, 3rd Floor, Kolkata-700 069, where the Petitioner Transferee Company is assessed on 01.03.2021, through Speed Post (ED765101492IN) and 23.10.2021, through Speed Post (ED164194253IN).

iv. **BSE Ltd**, Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001, on 01.03.2021, through Speed Post (ED765101740IN) and 23.10.2021, through Speed Post (ED164194103IN).

The Petitioner further submit that the approval of the present Scheme of Amalgamation will not deter any statutory authority to deal with any issue that may arise pursuant the present Scheme becoming effective.



(j) **Paragraph No. 2 (j) of RD Affidavit:** The Transferee Company is listed with BSE and NSE. The BSE Ltd and NSE Ltd vide their letter no. DCS/Amal/JR/R37/1718/2019-20 dated 22/04/2020 and NSE/List/22873-II dated 22.04.2021 respectively issued their observation letter on the draft Scheme of Amalgamation of the Transferee Company and the validity of the said observation letter were six months from the date of issuance of those letters. Copies of these letters marked as Annexure-I is enclosed herewith for perusal and ready reference.

Paragraph No. 5 (j) of Rejoinder: The contents of para 2. (j) are matter of record and need no reply. It is pertinent to mention that the Petitioner Transferee Company filed the 1st motion Application with the Tribunal within 6 months from the date of receipt of the no-objection/observation letters from BSE and NSE.

(k) **Paragraph No. 2 (k) of RD Affidavit:** It is submitted that as per instructions of the Ministry of Corporate Affairs, New Delhi, a copy of the scheme was forwarded to the Income Tax Department on 19.03.2021 for their views/observations in the matter. However, the same is still awaited.

Paragraph No. 5 (k) of Rejoinder: With regard to the comments of the Income Tax Department, it is submitted that the Income Tax Department has already issued its no-objection letter with regard to the Scheme of Amalgamation on 15.09.2021. The Income Tax Department has explicitly given its no-objection to the Scheme of Amalgamation.

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6. Heard submissions made by the Ld. Counsel appearing for the Petitioner Company & RD. Upon perusing the records and documents in the instant proceedings and considering the submissions, we allow the present Petition and make the following orders:

THIS TRIBUNAL DOTH ORDER

- (a) The Scheme of Amalgamation mentioned in paragraph A of the Petition, being Annexure "P-1" is hereby sanctioned by this Tribunal to be binding with effect from 01.04.2019 ("Appointed Date"), on SOMANY CERAMICS LIMITED (the Transferee Company) and its respective shareholders and creditors and all concerned;
- (b) All the property, rights and powers of the Transferor Company, including those described in the Schedule of Assets herein, be transferred from the said Appointed Date, without further act or deed, to the Transferee Company and, accordingly, the same shall pursuant to Section 232(4) of the Companies Act, 2013, be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same, as provided in the Scheme;
- (c) All the debts, liabilities, duties and obligations of the Transferor Company be transferred from the said Appointed Date, without further act or deed to the Transferee Company and, accordingly, the same shall pursuant to Section 232(4) of the Companies Act,

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2013, be transferred to and become the debts, liabilities, duties and obligations of the Transferee Company;

- (d) The employees of the Transferor Company shall be engaged by the Transferee Company, as provided in the Scheme;
- (e) All proceedings and/or suits and/or appeals now pending by or against the Transferor Company be continued by or against the Transferee Company, as provided in the Scheme;
- (f) Leave is granted to the Petitioner Company to file its Schedule of Assets in the form as prescribed in the Schedule to Form No.CAA.7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within three weeks from the date of receiving a copy of this order;
- (g) The Petitioner Transferee Company shall within thirty days of the date of the receipt of this order, cause a certified copy thereof to be delivered to the Registrar of Companies for registration and on such certified copies so delivered, the Transferor Companies shall be dissolved without winding up from the effective date.

7. The Petitioner Company shall supply legible print out of the scheme and schedule of assets in acceptable form to the Registry and the Registry will append such printout, upon verification to the certified copy of the order.

8. CP (CAA) 95/KB of 2021 connected with CA (CAA) 731/KB of 2020 is disposed of accordingly.

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Witness:

Mr. Rajasekhar V.K., Hon'ble Member (Judicial) and Mr. Balraj Joshi, Hon'ble Member (Technical), at Kolkata aforesaid the 20th day of December 2021.

Ms. Neha Somani, Pr. CS on record for the petitioners.

SCHEDULE OF ASSETS

First Part - Part-I

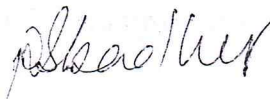
(As per annexure)

Second Part - Part-II

(As per annexure)

Third Part - Part-III

(As per annexure)


Assistant Registrar

National Company Law Tribunal
Kolkata Bench

Dated: the 30th day of December, 2021.

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**SCHEME OF AMALGAMATION
OF**

**SCHABLONA INDIA LTD
(THE TRANSFEROR COMPANY)**

WITH

**SOMANY CERAMICS LTD
(THE TRANSFEREE COMPANY)**

**AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER
SECTIONS 230 & 232 OF THE COMPANIES ACT, 2013, AND OTHER
APPLICABLE PROVISIONS, IF ANY**

1.1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as under:

- i. **"Act"** means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and any other Rules made there under, as the case may be applicable; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.
- ii. **"Appointed Date"** means commencement of business on 1st April, 2019, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
- iii. **"Board of Directors"** in relation to the respective Transferor and Transferee Companies, as the case may be, shall, unless it is repugnant to the context or otherwise, include a Committee so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee.
- iv. **"Effective Date"** means the date on which the transfer and vesting of the entire undertaking of the Transferor Company shall take effect, i.e., the date as specified in Clause 5 of this Scheme.
- v. **"National Company Law Tribunal"** means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, having territorial jurisdiction over the respective Companies to sanction the present Scheme and other connected matters. The National Company Law Tribunal has been referred to as the Tribunal/NCLT.
- vi. **"Record Date"** means the date to be fixed by the Board of Directors of the Transferor Company and/or the Transferee Company, with reference to which the eligibility of the shareholders of the Transferor Company, for allotment of shares in the Transferee Company pursuant to the Amalgamation in terms of this Scheme, shall be determined.

"Registrar of Companies" means concerned Registrar of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.



SCHABLONA INDIA LIMITED

[Signature]

Wholesale Director and CFO

For Secretary, Somany Ceramics Limited

[Signature]

AMERISH JULKA
GM (Legal) and Company Secretary



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

ix. "Scheme" means the present Scheme of Amalgamation framed under the provisions of sections 230 and 232 of the Companies Act, 2013, section 2(1B) of Income Tax Act 1961 and other applicable provisions, if any, where under the Transferor Company is proposed to be amalgamated with the Transferee Company in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of the respective Companies and/or by any competent authority and/or by the Hon'ble Tribunal or as may otherwise be deemed fit by the Board of Directors of these Companies.

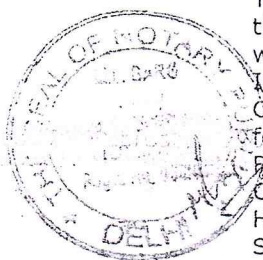
x. "Transferor Company" means **Schablona India Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 82/19, Bhakerwara Road, Mundka, New Delhi-110. 041; e-mail id: silinvestors@schablona.in; Website: www.schablona.in.

The Transferor Company-Schablona India Ltd [Corporate Identification No. (CIN): L 51109 DL 1983 PLC 318655; Income Tax Permanent Account No. (PAN): AAD CS 7573 C] (hereinafter referred to as "the Transferor Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style as 'Soma Finance & Leasing Company Ltd' vide Certificate of Incorporation dated 5th November, 1983 issued by the Registrar of Companies, West Bengal, Kolkata. The Company was issued Certificate for Commencement of Business dated 6th December, 1983 by the Registrar of Companies, West Bengal, Kolkata. Name of the Company was changed to 'Schablona India Ltd' vide Fresh Certificate of Incorporation dated 21st April, 1993, issued by the Registrar of Companies, West Bengal. Registered Office of the Company was shifted from the State of West Bengal to the NCT of Delhi as approved by the Hon'ble Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata, vide Order dated 5th May, 2017. The Registrar of Companies, New Delhi registered the aforesaid order and allotted the present CIN to the Company.

Presently, the Transferor Company is engaged in the business of manufacturing and trading of decorated tiles, transfers and stickers for decoration on ceramic articles, sanitaryware and other related activities.

xi. "Transferee Company" means **Somany Ceramics Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 2, Red Cross Place, Kolkata-700 001, West Bengal; e-mail id: ambrish.julka@somanyceramics.com Website: www.somanyceramics.com

The Transferee Company-Somany Ceramics Ltd [Corporate Identification No. (CIN): L 40200 WB 1968 PLC 224116; Income Tax Permanent Account No. (PAN): AAE CS 0763 K] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style as 'Somany-Pilkington's Ltd' vide Certificate of Incorporation dated 20th January, 1968, issued by the Registrar of Companies, West Bengal, Kolkata. The Company was issued Certificate for Commencement of Business dated 7th February, 1968 by the Registrar of Companies, West Bengal, Kolkata. Registered Office of the Company was shifted from the State of West Bengal to the State of Haryana. Further, Registered Office of the Company was shifted from the State of Haryana to the NCT of Delhi. Name of the Company was



For SCHABLONA INDIA LIMITED

[Signature]
Whole-time Director and CFO

For Somany Ceramics Limited

[Signature]
AMBRISH JULKA
GM (Legal) and Company Secretary



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changed to "SPL Ltd" vide Fresh Certificate of Incorporation dated 18th October, 1995, issued by the Registrar of Companies, Delhi & Haryana, New Delhi. Name of the Company was changed to its present name "Somany Ceramics Ltd" vide Fresh Certificate of Incorporation dated 30th January, 2007 issued by the Registrar of Companies, New Delhi. Registered Office of the Company was finally shifted from the NCT of Delhi to the State of West Bengal as approved by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, vide Order dated 7th November, 2017 read with Order dated 30th November, 2017. The Registrar of Companies, West Bengal, Kolkata, registered the aforesaid order and allotted the present CIN to the Company.

Presently, the Transferee Company is engaged in the business of manufacturing and trading of ceramic tiles, polished vitrified tiles, glazed vitrified tiles, sanitaryware and bath fittings, tile laying solutions, other allied products and other related activities.

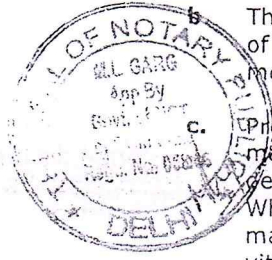
1.2 SHARE CAPITAL

- i. The present Authorised Share Capital of the Transferor Company is Rs. 5,00,00,000 divided into 50,00,000 Equity Shares of Rs. 10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 1,26,36,860 divided into 31,59,215 Equity Shares of Rs. 4 each.
- ii. The present Authorised Share Capital of the Transferee Company is Rs. 27,30,00,000 divided into 13,65,00,000 Equity Shares of Rs. 2 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 8,47,58,852 divided into 4,23,79,426 Equity Shares of Rs. 2 each.
- iii. Both the Transferor and Transferee Companies are public limited listed companies, under the common control. The Transferor Company is listed on BSE Ltd (Bombay Stock Exchange/BSE). Whereas the Transferee Company is listed on Bombay Stock Exchange and National Stock Exchange of India Ltd (National Stock Exchange/NSE). Since both the Companies are under the common control, the present Scheme of Amalgamation will not result in change in control of the Transferee Company.

1.3 RATIONALE AND BENEFITS OF THE SCHEME

The circumstances, which justify and/or necessitate the proposed Scheme of Amalgamation of Schablona India Ltd with Somany Ceramics Ltd; and benefits of the proposed amalgamation as perceived by the Board of Directors of these Companies, to the Shareholders and other stakeholders are, inter alia, as follows:

- a. Both the Transferor and Transferee Companies are under common control and it would be advantageous to combine the activities and operations in a single Company and to build strong capability to effectively meet future challenges in competitive business environment.
- b. The proposed Amalgamation would result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.



c. Presently, the Transferor Company is engaged in the business of manufacturing and trading of decorated tiles, transfers and stickers for decoration on ceramic articles, sanitaryware and other related activities. Whereas, the Transferee Company is engaged in the business of manufacturing and trading of ceramic tiles, polished vitrified tiles, glazed vitrified tiles, sanitaryware and bath fittings, tile laying solutions, other

For SCHABLONA INDIA LIMITED

[Signature]

Wholtime Director and CFO

For Somany Ceramics Limited

[Signature]

AMRISH JULKA
GM (Legal) and Company Secretary



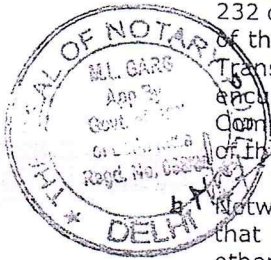
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allied products and other related activities. The proposed amalgamation will enable the integration of the business activities of the Transferor Company with the Transferee Company

- d. The Transferor Company has a credible brand name along with a sizeable pan India distribution network. Whereas, the Transferee Company is a well know player in the ceramic and sanitaryware industry. The proposed Scheme of Amalgamation will allow the Transferee Company to leverage these strengths in order to maximise the value creation.
- e. The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- f. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
- g. The proposed amalgamation would enhance the shareholders' value of the Transferor and the Transferee Companies.
- h. The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.

2. TRANSFER OF UNDERTAKING

- a. With effect from the commencement of business on 1st April, 2019, i.e., the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertaking and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other land and plots) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, brands, trademarks, trade names, copy rights and other intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 of the Act as a going concern, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject to mortgages, charges and encumbrances, if any, then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.



Notwithstanding what is provided herein above, it is expressly provided that in respect to all such assets which are movable in nature or are otherwise capable of being transferred by physical delivery or by

For SOMALONA INDIA LIMITED

[Signature]

Director and CFO

For Somany Ceramics Limited

[Signature]

AMERISH JULICA
GM (Legal) and Company Secretary



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endorsement and delivery, the same shall be so transferred, with effect from the appointed date, by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Tribunal or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.

- c. Similarly, all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon, any right or interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company.
- d. On and from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for in the books of accounts of the Transferor Company or not, shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- e. Similarly, on and from the Appointed Date, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, minimum alternative tax (MAT), self-assessment tax, Input Tax Credit under Goods and Services Tax (GST), etc., paid by or on behalf of the Transferor Company immediately before the amalgamation, shall become or be deemed to be the property of the Transferee Company by virtue of the amalgamation. Upon the Scheme becoming effective, all the taxes and duties paid (including TDS, MAT and GST, etc.) by or on behalf of the Transferor Company from the Appointed Date, regardless of the period to which these payments 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.
- f. All books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form;
- g. Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., of the Transferor Company, shall be available to and vest in the Transferee Company, without any further act or deed.

Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or



For SOMANY ONA INDIA LIMITED

[Signature]
Wholtime Director and CFO

For Somany Ceramics Limited

[Signature]
PRERISH JULIKA
GM (Legal) and Company Secretary

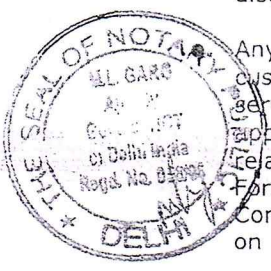


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satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.

- i. On the Scheme becoming effective, the Transferee Company shall be entitled to file/revise income tax returns, TDS returns, GST returns, and other statutory filings and returns, filed by it or by the Transferor Company, if required, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, un-availed credits and exemptions, statutory benefits, etc., if any.
- j. On the Scheme becoming effective, the Transferee Company, if so required, shall be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit/encash any refund or other payment received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account (in the name of the Transferor Company) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.
- k. All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.
- l. In accordance with the Central Goods & Services Tax Act, 2017 ('CGST'), Integrated Goods & Services Tax Act, 2017 ('IGST') and respective State Goods & Services Tax laws ('SGST'), Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to, Goods & Services tax lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/registration). The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods & Services tax payable by it.
- m. All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Company shall, upon the approval of this Scheme, be deemed to have been complied with by the Transferee Company.
- n. Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.



Any refund under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Company due to Transferor Company consequent to the assessment(s) and other proceeding(s) made on the Transferor Company and for which no credit is taken in the

For SOHARONA INDIA LIMITED

[Signature]

Wholesale Director and CFO

For Somany Ceramics Limited

[Signature]

AMRISH JULKA
GM (Legal) and Company Secretary



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accounts, as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

3. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- a. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferor Company is a party, subsisting or having effect immediately before or after the Effective date, shall remain 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 been a party thereto.
- b. The transfer of the said assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or after the Appointed Date.
- c. The Transferee Company may, at any time after 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 the secured creditors of the Transferor Company or in favour of any other 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 authorised to execute any such writings on behalf of the Transferor Company and, to implement and carry out all such formalities or compliance referred to above on the part/behalf of the Transferor Company to be carried out or performed.

4. LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, 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 this 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 or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

5. OPERATIVE DATE OF THE SCHEME

- a. This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal under Sections 230 and 232 of the Companies Act, 2013, are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.
- b. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

DISSOLUTION OF TRANSFEROR COMPANY

On this Scheme, becoming effective as provided in Clause 5 above, the Transferor Company shall stand dissolved without the process of winding up



For SCHABLONA INDIA LIMITED

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Wholetime Director and CFO

For Somany Ceramics Limited

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AMBRISH JILKA
GM (Legal) and Company Secretary



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7. EMPLOYEES OF TRANSFEROR COMPANY

- a. All the employees of the Transferor Company in service on the date immediately preceding the date on which the Scheme finally takes effect, i.e., the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the Transferor Company on the said date.
- b. Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees, if any, of the Transferor Company will be treated as having been continued for the purpose of the aforesaid funds or provisions.

8. CONDUCT OF BUSINESS BY TRANSFEROR & TRANSFEEE COMPANIES

From the Appointed Date until the Effective Date,

- a. The Transferor Company shall stand possessed of all the assets and properties referred to in Clause 2 above, in trust for the Transferee Company. Accordingly, any asset or property acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company.
- b. The Transferor Company shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company. Any income or profit accruing to the Transferor Company and all costs, charges and expenses or loss arising or incurring by the Transferor Company on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.
- c. Any of the rights, powers, authorities, privileges exercised by the Transferor Company shall be deemed to have been exercised by such Transferor Company for and on behalf of, and in trust for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Company shall be deemed to have been undertaken for and on behalf of the Transferee Company.
- d. All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations which arise or accrue to the Transferor Company on or after the Appointed Date, shall be deemed to be of the Transferee Company.

9. ISSUE OF SHARES BY TRANSFEEE COMPANY

Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferor Company, whose



For SCHABLONA INDIA LIMITED

[Signature]

Wholetime Director and CFO

For Somany Ceramics Limited

[Signature]

AMBRISH JULKA
GM (Legal) and Company Secretary



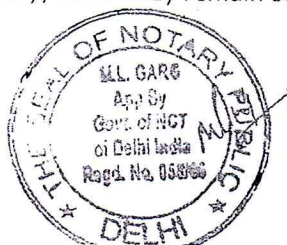
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names appear in the Register of Members as on the Record Date, in the following ratio:

- a. The Transferee Company-Somany Ceramics Ltd will issue 3 Equity Share of Rs. 2 each, credited as fully paid up, for every 100 Equity Shares of Rs. 4 each held in the Transferor Company- Schablona India Ltd.
- 9.2 Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.
- 9.3 The Equity Shares to be issued in terms of Para 9.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.
- 9.4 The issue and allotment of Equity Shares by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of fresh Equity Shares in terms of this Scheme.
- 9.5 In respect of the equity shares in the Transferor Company already held in dematerialized form, the New Equity Shares to be issued by the Transferee Company in lieu thereof shall also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferor Company entitled thereto, unless otherwise notified in writing by the shareholders of the Transferor Company to the Transferee Company on or before the Record Date. In respect of the equity shares of the Transferor Company held in physical form, each equity shareholders of the Transferor Company holding such share(s) shall have the option, to be exercised by way of giving a notice to the Transferee Company on or before the Record Date, to receive the New Equity Share(s) of the Transferee Company either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. In the event that such notice has not been received by the Transferee Company in respect of any equity shareholder, the New Equity Shares of the Transferee Company shall be issued to such shareholders in physical form.
- 9.6 In the event there being any pending share transfer(s), the Board of Directors of the Transferor Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferor Company as if such changes in the registered holders were operative on the Record Date, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferor Company pursuant to Clause 9.1 above.
- 9.7 Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any shares of the Transferor Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Transferee Company.
- 9.8 It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Company.

For SCHABLONA INDIA LIMITED

Wholesome Director and CFO



For Somany Ceramics Limited

AMBRISH JULKA

Company Secretary



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- 9.9 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed as on the Effective Date. The Transferee Company will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Transferee Company.
- 9.10 In case any Promoters' holding in the Transferee Company and/or new Shares to be issued in the Transferee Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), SEBI or any other competent authority pursuant to the provisions of the Listing Agreement and SEBI Regulations; such locked in shares may be transferred within the Promoters' Group during such lock-in period.
- 9.11 Shares allotted pursuant to this Scheme may remain frozen in the Depositories system till listing/trading permission is given by the Stock Exchanges. The Transferee Company will comply with the applicable provisions in this regard.
- 9.12 BSE Ltd will act as the Designated Stock Exchange for the purposes of this Scheme.
- 9.13 It is clarified that in the event of any change in the capital structure of the Transferee Company such as increase in its paid up share capital, conversion of any instrument into equity shares, share split or consolidation of shares, issue of bonus shares or other similar action or any material accounting changes at any time before the Record Date; the Share Exchange Ratio as specified in Clause 9.1 of this Scheme, shall be suitably adjusted for such changes in the capital structure of the Transferee Company. Any such adjustment in the Share Exchange Ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of the Transferor Company and the Transferee Company.

10. UPON THIS SCHEME BECOMING FINALLY EFFECTIVE:

- a. Entire Issued Share Capital and share certificates of the Transferor Company shall automatically stand cancelled. Shareholders of the Transferor Company will not be required to surrender the Share Certificates held in the Transferor Company.
- b. Cross holding of shares between the Transferor Company and the Transferee Company on the record date, if any, shall stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor and the Transferee Companies, as the case may be, and sanction by the Tribunal under section 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of sections 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any.



FOR SOMANY CERAMICS INDIA LIMITED

[Signature]
Wholetime Director and CFO

For Somany Ceramics Limited

[Signature]
ANBRISH JULKA
GM (Legal) and Company Secretary

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Such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital.

- c. The authorised share capital of the Transferor Company shall be added to and shall form part of the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Transferee Company shall stand increased to the extent of the aggregate authorised share capital of the Transferor Company as on the effective date. In terms of the provisions of section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on the authorised capital shall be set-off against the fees payable by the Transferee Company on the increase in the authorised share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorised share capital after deducting the aggregate fees paid by the Transferor Company on the pre-merger authorised share capital.

Clause 5/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company shall stand modified to give effect to the aforesaid increase in the authorised share capital of the Transferee Company. Approval of the present Scheme of Amalgamation by the Shareholders of the Transferor/Transferee Companies will be sufficient for the aforesaid modification in Clause 5 of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

- d. Some of the business activities being carried on by the Transferor Company may not be specifically covered under the present Main Objects of the Transferee Company. Accordingly, upon this Scheme becoming effective, the following sub-clauses shall be inserted after the existing sub-clause (iv) of the Main Objects Clause in the Memorandum of Association of the Transferee Company and Clause 3/Objects Clause of the Memorandum of Association of the Transferee Company shall stand modified/alterd to that extent:

- (v). To manufacture, print, export, import, buy and sell, transfers and stickers of all kinds printed on decalcomenia paper or other base materials and to act as printers, decorators and coaters of goods, sheets, papers and materials of all kinds and to prepare, manufacture, print, paint, use, import, export, design and device all kinds of articles of artistic objects for use and ornamentation of any articles and to manufacture or deal in colours, papers, coated papers or other material, films, fabrics, foils, screens, pens, brushes, adhesives, lacquars, oils, cleaners, thinners, developers, fixers, fillers, emulsions, decoraters, mediums, powers, concentrates and all other types of materials needed for printing, decorating, polishing, designing and artistic vocations.



- (vi). To design, develop, fabricate and manufacture machinery, plants and equipment including kilns and furnaces for manufacture of transfers and stickers and for application thereof either by itself or through an outside designer or manufacturer or fabricator and to use, buy, sell, hire, acquire or land such machinery, plant and equipment with technology or process and application thereof.

- (vii). To carry on the business of printers, decorators and coaters of tiles, sanitaryware, enamelware, potteries, bottles, tumblers, jars, dinnerware, tableware, holloware and other articles of glass,

For SCHASLOVA INDIA LIMITED

Chand

Wholetime Director and CFO

For AMBRISH JULKA Limited

Ambrish Julka

AMBRISH JULKA
GM (Legal) and Company Secretary



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ceramics, clay, stone, metal, plastic, rubber, leather or any other material and for this purpose to buy, sell, import, export, hire, borrow or otherwise acquire any goods, technical know-how and processes, equipment and services.

Approval of this Scheme of Amalgamation by the Shareholders of the Transferor Company and the Transferee Company and subsequent approval of the Scheme by the Hon'ble Tribunal will be sufficient for the aforesaid modification/alternation of Clause 3 (Objects Clause) of the Memorandum of Association of the Transferee Company and no further approval will be required for the same. It is hereby clarified that the Transferee Company will make other necessary compliance, if any, in connection with such modification. The Transferee Company will file a copy of the amended Memorandum of Association with the Registrar of Companies at the time of filing of the final Order of the Hon'ble NCLT approving the Scheme.

- e. Save as provided in Para 10.c above, the Transferee Company will increase/modify its Authorized Share Capital for implementing the terms of the Scheme, to the extent necessary.

11. ACCOUNTING FOR AMALGAMATION

Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

The Transferee Company shall give effect of the Scheme in its books of accounts in accordance with accounting prescribed under "pooling of interest" method in Appendix C of Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with rule 3 of The Companies (Indian Accounting Standard) Rules, 2015. Following are the salient features of the accounting treatment to be given:

- a. All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective carrying values as reflected in the books of the Transferor Company as on the Appointed Date.
- b. Cross investments or other inter-company balances, if any, will stand cancelled.
- c. All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.

Any deficit arising out of amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against capital reserves, if any, in the books of the Transferee Company. Whereas any surplus arising out of Amalgamation (including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.

- e. Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.



FOR SOMANY CERAMICS INDIA LIMITED

[Signature]

Wholtime Director and CFO

For Somany Ceramics Limited

[Signature]

AMBRISH JULKAR

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- f. It is, however, clarified that the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors, may account for the present amalgamation and other connected matters in such manner as to comply with the provisions of section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

12. APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL

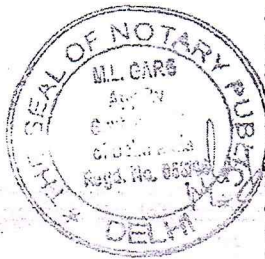
- a. The Transferor Company shall make necessary application(s)/ petition(s) under the provisions of sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up and other connected matters.
- b. The Transferee Company shall also make necessary application(s)/petition(s) under the provisions of sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016 and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme and other connected matters.

13. COMPLIANCE WITH TAX LAWS

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments, as may become necessary, shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

14. COMPLIANCE WITH SEBI REGULATIONS

- a. In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); Securities and Exchange Board of India (SEBI) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, and the SEBI Circular No. CFD/DIL3/CIR/2017/26 dated 23rd March, 2017, SEBI Circular No. CFD/DIL3/CIR/2018/2 dated 3rd January, 2018 and other applicable provisions, if any, the present Scheme of Amalgamation is required to be approved by Public Shareholders (i.e., Equity Shareholders other than those forming part of Promoters and Promoters' Group) of the Listed Transferor Company and the Transferee Company by passing a Resolution through e-voting and other means, as may be applicable. In terms of the aforesaid SEBI Circulars, the Scheme will be acted upon only if the votes cast by Public Shareholders of the Listed Transferor Company and the Transferee Company in favour of the proposed Scheme are more than the number of votes cast by Public Shareholders against the Scheme, if any.



For SCHAERLONA INDIA LIMITED

[Signature]

Whole time Director and CFO

For Somany Ceramics Limited

[Signature]

AMBRISH JULKA
GM (Legal) and Company Secy

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- b. Notwithstanding above, the Transferor Company and the Transferee Company will also comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in connection with this Scheme and other connected matters.

15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- a. The Transferor Company and the Transferee Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Tribunal and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.
- b. In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.
- c. The Transferor Company and/or the Transferee Company shall be at liberty to withdraw from this Scheme in case any condition, alteration or modification, imposed or suggested by the Tribunal or any other competent authority, is not acceptable to them; or as may otherwise be deemed fit or proper by any of these Companies. The Transferor Company and/or the Transferee Company will not be required to assign the reason for withdrawing from this Scheme.

16. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the amalgamation exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.

For SCHABLONA INDIA LIMITED

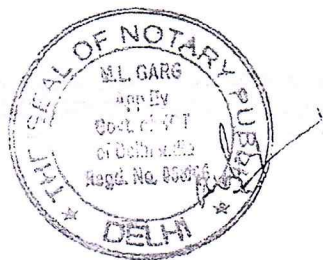
Chand

Wholesaling Director and CFO

For Somany Ceramics Limited

Amrish

AMBRISH JULKA
GM (Legal) and Company Secretary



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ANNEXURE No. P-31

Schablona India Ltd.
 CIN : L51109DL1983PLC318655
 Unit -1 : P.O. Kassar, Bahadurgarh-124507, Distt. Jhajjar, Haryana, India.
 Ph.: 01276-241133 (5 Lines) E-mail : marketing@schablona.in
 Regd. Office : 82/19, Bhakerwara Road, Mundka, New Delhi - 110041
 Ph. : 011-28341085, Website : www.schablona.in



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Schablona India Ltd (Transferor Company)

Schedule of Properties (As on 1st April, 2019)

| Particulars | (Amount in Rs.) |
|---|-----------------|
| PART-I | |
| Short Description of the Free hold Property of the Transferor Company | |
| Land and building and other structure thereof at Village Sankhol, Pin Code 124507. | 1,14,85,234.87 |
| PART-II | |
| Short Description of the Lease hold Property of the Transferor Company | |
| | Nil |
| PART-III | |
| Short Description of all the Stocks, Shares, Debentures and other Charges in Action of the Transferor Company | |
| 1. Fixed Assets | |
| A Plant & Machinery | 1,00,67,412.98 |
| B Furniture & Fixture | 26,64,597.49 |
| C Computer and computer software | 7,54,344.06 |
| D Office Equipment | 1,56,976.86 |
| E Vehicles | |
| • Tata 407- HR63A 7940 | 2,46,658.90 |
| • Toyota Corola Altis 1.8 - HR13L 9196 | 8,84,581.69 |
| • Honda City- HR 13 K 5961 | 2,86,243.00 |
| • Brezza Maruti - HR13L 6302 | 4,80,665.00 |
| 2. Current Assets | |
| A Investment in Shares | Nil |
| B Inventories | 1,79,96,134.78 |
| C Debtors | 2,77,66,177.44 |

Schablona India Limited

Whole time Director and CFO
 Share Dept. 12, Red Cross Place, Kolkata - 700001, India
 E-mail : silinvestors@schablona.in

Unit -2 : 18/1, 18/2, G.I.D.C. Estate, Kadi-382715, Distt. Mehsana, Gujarat-India-388



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| | | |
|--|--------------|---------------------|
| D Cash & Bank balance | | |
| • Cash in hand | | 9,916.40 |
| • HDFC Bank - Kolkata – Account no.00080340012952 | | 11,847.27 |
| • HDFC Bank - Kadi – Account No. 03252320000775 | | 2,052.29 |
| • Punjab National Bank - Kassar – Account No. 4676002100001007 | | 3,02,175.18 |
| • State Bank Of India - Bahadurgarh – Account No. 31054623217 | | 1,42,918.13 |
| • HDFC Bank - Bahadurgarh – Account No. 03252320000257 | | 9,33,422.41 |
| | Total | 14,02,331.68 |
| Fixed Deposit | | |
| • State Bank of India - Bahadurgarh - Account no. 34949264157 | | 16,00,000.00 |
| • State Bank of India – Nangloi, New Delhi - Account no. 35910257953 | | 25,000.00 |
| | Total | 16,25,000.00 |
| Advance Payment of Tax | | |
| • Income Tax | | 3,17,169.00 |
| • TCS | | 26,515.00 |
| • TDS Receivable | | 1,13,435.00 |
| | Total | 4,57,119.00 |
| Balance with Govt. Dept. | | |
| • Sales Tax Credit receivable | | 13,72,518.16 |
| • Goods and Service Tax credit receivable | | 18,99,553.80 |
| | Total | 32,72,071.96 |
| Deposits | | |
| • Deposit with Haryana State Electricity Board | | 9,47,750.00 |
| • Deposit with Uttar Gujarat Vir Company Ltd, Kadi | | 2,43,000.00 |
| • Deposit with others | | 32,845.00 |
| | Total | 12,23,595.00 |
| Balance with others | | |
| • Advance recoverable from others | | 8,43,556.06 |
| • Interest receivable | | 3,51,754.94 |
| • Prepaid Expenses | | 1,32,517.00 |
| • Advance to Suppliers | | 1,09,214.00 |
| | Total | 14,37,042.00 |

For Schablona India Ltd
FOR SCHABLONA INDIA LIMITED

Satish Chandra Vishwakarma CFO
Whole time Director and Chief Financial Officer
DIN: 06891937

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Date of Deliver of Copy 30/12/2021



DD / DR / AR / Court Officer
National Company Law Tribunal
-Kolkata Bench