

KAJARIA CERAMICS LIMITED

CIN - L26924HR1985PLC056150

Registered Office: SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001 **Phone:** +91-124-4081281

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NOTICE - UNSECURED CREDITORS

NOTICE OF TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF KAJARIA CERAMICS LIMITED

(Convened pursuant to order dated 4th May, 2017 passed by National Company Law Tribunal, Chandigarh Bench at Chandigarh)

MEETING:

Day	: Friday
Date	: 21st day of July, 2017
Time	: 12:00 Noon(IST)
Venue	: SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001

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COMPANY APPLICATION NO.05/CHD/HRY/2017 OF 2017

In the matter of the Companies Act, 2013

And

In the matter of Sections 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

And

In the matter of Scheme of Arrangement

Between

Kajaria Securities Private Limited
(Applicant Company 1 / Transferor Company)

And

Kajaria Ceramics Limited
(Applicant Company 2 / Transferee Company)

And

their respective Shareholders and Creditors

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT COMPANY 2

To,

The unsecured creditors of Kajaria Ceramics Limited

(“Applicant Company 2” or “Company” or “Transferee Company” or “KCL”)

Notice is hereby given that by an order dated 4th May, 2017, the Chandigarh Bench of the National Company Law Tribunal (“Tribunal” or “NCLT”) has directed a meeting to be held of the Unsecured Creditors of the Applicant Company 2, for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement between Kajaria Securities Private Limited (“Transferor Company” or “KSPL”) and Kajaria Ceramics Limited and their respective shareholders and creditors (“Scheme”).

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Unsecured creditors of the said Company will be held at registered office of the company at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana - 122001 on Friday the 21st day of July, 2017 at 12:00 P.M. (IST) at which time and place, the said Unsecured creditors of the Applicant Company 2 are requested to attend.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and 232(2) and 102 of the Companies Act, 2013 (“**Act**”) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company 2 at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana - 122001 or at the office of its advocates i.e. Lawyers’ Chamber No. 2, Punjab & Haryana High Court, Chandigarh - 160001.

Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided all proxies in the prescribed form are deposited at the registered office of the Company at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana - 122001 not later than 48 hours before the meeting.

Forms of proxy can be had at the registered office of the Company.

The Tribunal has appointed Mr. Justice (Retd.) J.C Verma, as the Chairperson, Mr. Harnam Sharma, District & Sessions Judge (Retd.), as Alternate Chairperson and Dr.S.Chandrasekaran, a practising Company Secretary as the Scrutinizer for the meeting of Unsecured creditors including for any adjournment or adjournments thereof. The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of the Tribunal.

Pursuant to the directions issued by the NCLT vide its order dated 4th May, 2017, latest audited financial statements of Kajaria Ceramics Limited for the period ended 31st March, 2017, as approved by Board of Directors, subject to approval of equity shareholders at the annual general meeting, will be circulated among unsecured creditors at the meeting.

TAKE NOTICE that the following resolution is proposed under Sections 230(3) of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Memorandum of Association and Articles of Association of the Applicant Company 2, for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement proposed in the Scheme:

“RESOLVED THAT pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015, the observation letters issued by each of the BSE Limited and the National Stock Exchange of India Limited, dated 19th September, 2016 and 20th September, 2016 respectively and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon’ble National Company Law Tribunal, Bench at Chandigarh (“Tribunal” or “NCLT”) 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 NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (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 or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Kajaria Securities Private Limited and Kajaria Ceramics Limited and their respective shareholders and creditors (“Scheme as attached to the notice of meeting of unsecured creditors and placed before this meeting and initialled 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 authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement 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 NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and 232(2) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed

R.C. Rawat
COO (A&T) & Company Secretary
FCS-5101

Authorised by Board Resolution dated 11th July, 2016
on behalf of Board of Directors of Kajaria Ceramics Limited

Dated this 9th day of June, 2017
Place: New Delhi

Registered Office:
Kajaria Ceramics Limited,
SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road,
Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001
CIN - L26924HR1985PLC056150

Notes:

- (1) All alterations made in the Form of Proxy should be initialled.
- (2) Unsecured Creditors would be entitled to vote in the said meeting either in person or through proxy.
- (3) Only Unsecured creditors of the Applicant Company 2 may attend and vote either in person or by proxy (a proxy need not be Unsecured creditor of the Applicant Company 2) or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the Unsecured Creditors of the Applicant Company 2. The authorised representative of a body corporate which is Unsecured Creditor of the Applicant Company 2 may attend and vote at the meeting of the Unsecured Creditors of the Applicant Company 2 provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the Unsecured Creditors of the Applicant Company 2 is deposited at the registered office of the Applicant Company 2 not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the Unsecured Creditors of the Applicant Company 2.
- (4) The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company 2.
- (5) NCLT by its Order dated 4th May, 2017 has directed that a meeting of the Unsecured Creditors of the Applicant Company 2 shall be convened and held at the registered office of the Applicant Company 2 at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001, India on Friday, the 21st Day of July 2017 at 12:00 (IST) Noon for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme.
- (6) The quorum of the meeting of the Unsecured Creditors of the Applicant Company 2 shall be 40 in number or 25% in value of the total unsecured debt, whichever is higher, of the Applicant Company 2, present in person. It is also directed that if the required Quorum is not present at the commencement of meeting, then the meeting will be adjourned for 30 minutes, and thereafter the the Unsecured Creditors present in the meeting, either in person or through proxy, would be treated as proper quorum.
- (7) Unsecured creditor or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
- (8) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured creditors at the registered office of the Applicant Company 2 between 10.00 a.m. to 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting. However, the same shall be open for inspection during the aforesaid meeting.
- (9) The Notice, together with the documents accompanying the same, is being sent to all the Unsecured Creditors as on 31st December, 2016 either by speed post or by courier service. Such Unsecured Creditors shall be entitled to vote at the meeting to be held on 21st July, 2017. The Notice will be displayed on the website of the Applicant Company 2 **www.kajariaceramics.com** besides being communicated to BSE Limited and National Stock Exchange of India Limited.
- (10) The notice convening the meeting will be published through advertisement in (i) Business Standard (English) in the English language and (ii) translation thereof in Business Standard (Hindi) in Hindi language.
- (11) In accordance with the provisions of Sections 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the Unsecured Creditors of the Applicant Company 2, voting in person or by proxy, agree to the Scheme, subject to the approval of NCLT.
- (12) Any queries/grievances in relation to notice may be addressed to the Company Secretary of the Applicant Company 2 through e-mail (e-mail id: investors@kajariaceramics.com). The Company Secretary of the Applicant Company 2 can also be contacted at +91-11-26946409.
- (13) Dr. S. Chandrasekaran has been appointed as the Scrutinizer for providing facility to the Unsecured Creditors of the Applicant Company 2 to scrutinize the voting process in a fair and transparent manner.
- (14) The Chairman, shall, at the Tribunal convened meeting at the end of discussion on the resolution on which voting is to be held, allow voting with assistance of Scrutinizer, by the polling paper for all those Unsecured Creditors present at the Tribunal convened meeting.
- (15) The Scrutinizer shall, after conclusion of the voting at the Tribunal convened meeting, count the votes cast at the meeting in the presence of atleast two witnesses not in employment of the Applicant Company 2 and shall make, within permissible time of the conclusion of the Tribunal convened meeting, a consolidated scrutinizer's report of the total vote cast in favour or against, if any, to the Chairman or person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith. The result of the Unsecured Creditors meeting will be announced on / before 23rd July, 2017 at the Registered Office of the Applicant Company 2. The result declared alongwith the report of the Scrutinizer shall be placed on the website of Applicant Company 2 (**www.kajariaceramics.com**) besides being communicated to BSE Limited and National Stock Exchange of India Limited.

Encl.: As above

COMPANY APPLICATION NO.05/CHD/HRY/2017 OF 2017

In the matter of the Companies Act, 2013

And

In the matter of Sections 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

And

In the matter of Scheme of Arrangement

Between

Kajaria Securities Private Limited
(Applicant Company 1 / Transferor Company)

And

Kajaria Ceramics Limited
(Applicant Company 2 / Transferee Company)

And

their respective Shareholders and Creditors

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1), 232(2) OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF UNSECURED CREDITORS OF KAJARIA CERAMICS LIMITED

1. Pursuant to the order dated 4th May, 2017 passed by the Hon'ble National Company Law Tribunal, Bench at Chandigarh ("Tribunal" or "NCLT"), in CA (CAA) NO. 05/CHD/HRY/2017 OF 2017 ("Order"), a meeting of the Unsecured creditors of Kajaria Ceramics Limited (hereinafter referred to as the "Applicant Company 2" or the "Transferee Company" or "KCL" as the context may admit) is being convened and held at the registered office of the Applicant Company 2 at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001 on Friday, the 21st day of July, 2017 at 12:00 P.M., for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Kajaria Securities Private Limited (hereinafter referred to as the "Transferor Company" or "KSPL" or "Applicant Company 1" as the context may admit) and Kajaria Ceramics Limited (hereinafter referred to as the "KCL" or "Transferee Company" as the context may admit) and their respective shareholders and creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). KSPL and KCL are together referred to as the "Applicant Companies".
2. A copy of the revised Scheme, which has been, inter alia, approved by the Audit Committee and the Board of Directors of the Applicant Company 2 at its respective meeting held on the 24th day of January, 2017, is enclosed.
3. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
4. In terms of the said Order, the quorum for the said meeting shall be 40 (Forty) in number or 25% in value of the total Unsecured debt, whichever is higher. It is also directed that if the required Quorum is not present at the commencement of meeting, then the meeting will be adjourned for 30 minutes, and thereafter the person present in the meeting, either in person or through proxy, would be treated as proper quorum. Further in terms of the said Order, NCLT, has appointed Mr. Justice (Retd.) J.C Verma, as the Chairperson, Mr. Harnam Sharma, District & Sessions Judge (Retd.), as Alternate Chairperson and Dr. S.Chandrasekaran, a practising Company Secretary (M.No.: FCS 1644, C.P. No. 715) as the Scrutinizer for the meeting of unsecured creditors including for any adjournment or adjournments thereof.

5. This statement is being furnished as required under Sections 230(3), 232(1) and 232(2) of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
6. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the Unsecured Creditors of the Applicant Company 2 shall be convened and held at the registered office of the Applicant Company 2 on Friday, the 21st day of July 2017 at 12:00 (IST) Noon for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured Creditors would be entitled to vote in the said meeting either in person or through proxy.
7. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the Unsecured Creditors, of the Applicant Company 2, voting in person or by proxy, agree to the Scheme, subject to the approval of NCLT.

Particulars of KSPL:

8. Kajaria Securities Private Limited ("Transferor Company" or "KSPL") is private limited company incorporated on 19th June, 1986, under the provisions of the Companies Act, 1956, with Registrar of Companies, NCT of Delhi & Haryana under the name and style of "Kajaria Overseas Private Limited". Thereafter, name of the Transferor Company was changed to "Cheri Overseas Private Limited" vide fresh certificate of incorporation dated 12th January, 1989 issued by Registrar of Companies, NCT of Delhi & Haryana. Further, the name was again changed to "Kajaria Securities Private Limited" vide the fresh certificate of incorporation dated 24th November, 1992 issued by Registrar of Companies, NCT of Delhi & Haryana. The registered office of KSPL was shifted from the State of Delhi to State of Haryana vide Certificate of Registration dated 9th June, 2015. Presently, the registered office of KSPL is situated SF-02, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001. The e-mail address of KSPL is efilingregistrar@gmail.com. The Corporate Identity Number and Permanent Account Number of KSPL is U74899HR1986PTC055720 and AAACK3066D respectively.
9. Pursuant to the Composite Scheme of Arrangement approved by Hon'ble High Court of Punjab & Haryana at Chandigarh vide its order dated 29th April, 2016, the object clause of KSPL was amended with effect from 1st April, 2015.
10. Presently, the main objects of KSPL are set out in its Memorandum of Association. The main objects of KSPL are set out hereunder:
 - 1) *To carry on in India or elsewhere business of marketing of tiles and other ceramics products and to act as marketing agents and to undertake all type of marketing and promotional campaigns, and to act as marketing contractors and to arrange exhibitions, shows, release of audio and video cassettes and production thereof, to act as consultants and interior decorators for display of tiles and other products and to act as civil and building contractors for establishment of such tile shoppes.*
 - 2) *To carry on the business of importers, exporters sellers of and dealers in cement, alumine cement, Portland cement, asbestos products, fire bricks, coke, refractories, lime and lime stone, clinker, plasters artificial stone and materials of every kind used in the manufacture thereof, whiting clay, gravel sand, sacks, bricks, tiles, building materials, analogues to or connected therewith, seafood, Tinplate waste, Iron & Steel materials, Iron & Steel scraps, Food stuffs, Dryfruits, all type of generators and waterpumps, Silk carpets, Decorative papers and all types of handicraft items and to acquire by purchase lease, exchange or otherwise and to sell, transfer, alienate, assign, dispose of or deal in land, buildings, and hereditaments of any tenure or description and any estate or interest therein and any rights over prior connected therewith and to develop and turn the same to account as may seem expedient and in particular by preparing, laying out the same for building purposes and by constructing, reconstructing, altering, pulling down, improving, developing, decorating, renovating, designing, furnishing and maintaining offices, flats, houses, factory's building warehouses, shops, stores, wharves, buildings, works and convenience of all kinds and by consolidating, connecting or sub-dividing properties and by leasing and disposing of the same.*
 - 3) *To establish and carry on the business of manufacturing, designing, printing, fabricating, treating, processing, buying, selling, importing, exporting and otherwise dealing in all kinds of ceramic items including tiles, porcelain, earthen ware, stone wares, sanitary wares, fire bricks, fire clay and other minerals and any other products similar to and required for the aforesaid products.*
 - 4) *To carry on the business of buyers, sellers importers, exporters, agents, dealers and suppliers of agricultural products, fertilizers, iron and steel, matels and mineral products, engineering goods, components dyes, chemicals, pharmaceutical, pigments, papers, cement, plastic, leather goods, handicrafts, processed foods, tobacco and tobacco products, cigarettes, jute and its products like gunny bags, hessian, textiles including cotton, wollen, art silk, natural silk, readymade garments, hosiery and mixed fabrics, and all types of commodities merchandise and goods and to carry on the business of commission agents, brokers, factors, consultants, representatives, middleman, real*

estate, iron & steel, food grains, jute, tea, cotton and textiles and providing all types of financial services including trading in shares, bill discounting facilities, leasing and hire purchase, financing and all or any of the business of financiers (not amounting to banking business).

- 5) To invest the capital or other funds of the Company in the purchase of acquisition of or rights in moveable and immoveable property, to use the capital, funds and assets of the Company as security for borrowing and the acquisition of or rights in moveable or immoveable property or shares, stocks, debentures, debenture stocks, bonds, mortgages obligations, securities or to finance their acquisition or leasing or hire purchase and to lend moneys on pledge, hypothecation, mortgage or otherwise and on such terms and conditions, with or without security, as may seem expedient and to carry on the business of a leasing, hire purchase and to undertake or arrange or syndicate all types of business relating to financing of consumers, individuals, industry or corporates and to arrange and provide financial or other facilities in the form of lending or advancing money by way of loan, working capital finance, refinance, project finance or in any other form, whether with or without security to institutions, body corporates, firms associations, trusts, societies, industrial enterprises etc. provided that the Company shall not carry on the business of banking as defined by the Banking Regulations Act 1949 and to act as financial / investment consultants, management consultants, finance broker, stock broker and provide advice, services, consultancy in various fields.

11. KSPL is engaged in the business of holding investments and presently holds investments in the KCL.
12. There is no change in name of KSPL in last five years.
13. The authorized, issued, subscribed and paid-up share capital of KSPL as on 31st December, 2016 is as under:

Particulars	Amount (in Rs)
Authorized Capital	
2,70,00,000 Equity Shares of Rs.10/- each	27,00,00,000
6,71,00,000 Preference Shares of Rs. 10/- each	67,10,00,000
Total	94,10,00,000
Issued, subscribed and fully paid-up capital	
12,14,600 Equity Shares of Rs.10/- each	1,21,46,000
Total	1,21,46,000

Subsequent to 31st December, 2016, there has been no change in the authorised, issued, subscribed and paid up share capital of KSPL.

14. The securities of KSPL is not listed on any stock exchange.
15. The details of the promoters and directors of KSPL as on 31st December, 2016, along with their addresses are as follows:

Sr. No.	Name	Address
Promoters		
1.	Mrs. Versha Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
2.	Mr. Chetan Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
3.	Mr. Rishi Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
Directors		
1.	Mrs. Versha Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
2.	Mr. Chetan Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
3.	Mr. Rishi Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062

Particulars of KCL:

16. Kajaria Ceramics Limited (“Applicant Company 2” or “Company” or “Transferee Company” or “KCL”) is listed public company incorporated on 20th December, 1985, under the Companies Act, 1956, with the Registrar of Companies, U.P. Kanpur under the name and style of “Kajaria Ceramics Limited”. The registered office of KCL was shifted from the State of Uttar Pradesh to State of Haryana vide Certificate of Registration dated 27th July, 2015. Presently, its registered office is situated at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001. The email address of KCL is investors@kajariaceramics.com. The Corporate Identity Number and Permanent Account Number of KCL is L26924HR1985PLC056150 and AABCK1613R respectively.

17. The objects for which KCL has been established are set out in its Memorandum of Association. The main objects of KCL are set out hereunder :
- 1) *To carry on trade or business to manufacture, produce, buy, sell, import, export and otherwise generally deal in any kinds and description of tiles including ceramic, polished vitrified, glazed vitrified and unglazed tiles for domestic, commercial, industrial and outdoor applications for walls, floor and roofings, sewer pipes, drain pipes, concrete pipes and pipes of all descriptions and all kinds acidic, basic, high alumina, high silica, high grog and natural other and all other types, shapes and sizes of refractories and ceramics and all chemical formulations, organic or inorganic descriptions and categories for use in steel plants, mini-steel plants, furnaces, power houses and all kinds of industries, research, development and for any other use or purpose and for that purpose to set up all plants and machinery and related equipments including oil,fired or gas fired rotating calcining kilns and other ovens and to carry all business for the manufacture of all kinds and descriptions of refractories and ceramics, all kinds of bathware&sanitarywares (including bathware&sanitarywares made of plastic, fibreglass or any other synthetic products) glass and glasswares, china, terracotta, porcelain products, bricks, building material, vinyl, vinyl asbestos and solid vinylware, adhesive vinyl covebase, poles, blocks, lime, limestone, crockery, pottery, tableware&hotelwares, decorative wares, gardenwares, earthenwares, stonewares, pressedwares tiles, pottery, pipes, insulators of all descriptions and/or products thereof and all kinds of cement (ordinary white coloured Portland alumina heat furnaces, silica), cement products.*
 - 2) *To purchase, take / give on lease or otherwise acquire/ sold freehold and other lands, properties, mines, mining rights and metalliferous land and any interest therein and to explore, exercise, develop and turn to account the same and to crush, smelt, calcine, refine, dress, raise, get win, fabricate, grind, amalgamate, manipulate and prepare for market, purchase, sell and otherwise deal in ore, mineral sands, stones, artificial stones, metal and mineral substances of all kinds and to carry on any other operations in connection therewith.*
 - 3) *To carry on all or any of the business of producers, manufacturers, suppliers, distributors, transformers, converters, transmitters, generator, processors, developers, storers, procurers, sellers, carriers and dealers in electricity, all forms of energy (renewable and non-renewable) and any such products and by products derived from such business including without limitation, steam, fuels, ash, conversion of ash into bricks and any products derived from or connected with any other form of energy, including without limitation to conventional sources such as heat, thermal, hydel and /or from non-conventional sources such as tidal ware, wind, solar, geothermal, biological, biogas and coal bed methane.*
18. KCL is engaged in the business of manufacturing and trading of ceramics/vitrified tiles.
19. There has been no change in the name of KCL during the last five years. Further, the object clause of the Memorandum of Association of KCL has been changed on 7th September, 2015 through Postal Ballot.
20. The equity shares of KCL are listed on BSE Limited and National Stock Exchange of India Limited.
21. The authorized, issued, subscribed and paid-up share capital of KCL as on 31st December, 2016 is as under:

Particulars	Amount (in Rs)
Authorized Capital	
25,00,00,000 Equity Shares of Re.1/- each	25,00,00,000
10,00,000 Preference Shares of Rs.100/- each	10,00,00,000
Total	35,00,00,000
Issued, subscribed and fully paid-up capital	
15,89,38,000 Equity Shares of Re.1/- each	15,89,38,000
Total	15,89,38,000

Subsequent to 31st December, 2016, there has been no change in the authorised, issued, subscribed and paid up share capital of KCL.

The Board of Directors of KCL at its meeting held on 16th June, 2016, inter alia, had considered and approved sub-division (split) of the equity shares of KCL having face value of Rs. 2/- each (fully paid-up) into 2 equity shares of Re. 1/- each (fully paid-up). Further, the equity shareholders at the Annual General Meeting of KCL, held on 24th August, 2016, approved the sub-division of equity shares.

KCL had vide letter dated 23rd September, 2016, inter alia, informed BSE and NSE that 5th October, 2016, has been fixed as the record date for giving effect to the sub-division of its equity shares.

22. The details of the promoters and present directors of KCL as on 31st December, 2016 along with their addresses are as follows:

Sr. No.	Name	Address
Promoters / Promoter Group		
1.	Mr. Ashok Kumar Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
2.	M/s A. K. Kajaria (HUF)	J-1/B-1, (Extn), Mohan Co-Op. Indls. Estate, Mathura Road, New Delhi- 110044
3.	Mrs. Versha Devi Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
4.	M/s Chetan Kajaria (HUF)	F-200, Sainik Farms, Khanpur, New Delhi- 110062
5.	Mr. Chetan Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
6.	M/s Rishi Kajaria (HUF)	F-200, Sainik Farms, Khanpur, New Delhi- 110062
7.	Mr. Rishi Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
8.	Mrs. Rasika Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
9.	Mrs. Shikha Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
10.	Mr. Raghav Kajaria	F-200, Sainik Farms, Lane W 5 Western Avenue Khanpur, New Delhi- 110062
11.	Mr. Parth Kajaria	F-200, Sainik Farms, Lane W 5 Western Avenue Khanpur, New Delhi- 110062
12.	Mr. Kartik Kajaria	F-200, Sainik Farms, Lane W 5 Western Avenue Khanpur, New Delhi- 110062
13.	Mr. Vedant Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
14.	Kajaria Securities Private Limited	SF-02, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001
Directors		
1.	Mr. Ashok Kumar Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
2.	Mr. Chetan Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
3.	Mr. Rishi Kajaria	F-200, Sainik Farms, Khanpur, New Delhi- 110062
4.	Mr. Dev Datt Rishi	B-45, Sector-14, Noida Gautam Budh Nagar, Uttar Pradesh-201301
5.	Mr. Basant Kumar Sinha	Flat No.-805, Plot No.-18, Sector-4, Ajnara Land Mark, Vaishali, Ghaziabad, Uttar Pradesh- 201010
6.	Mr. Ram Ratan Bagri	177-C, Western Avenue Lane, W-7, Sainik Farms, New Delhi- 110062
7.	Mr. Raj Kumar Bhargava	C-390, Defence Colony, New Delhi-110024
8.	Mr. Debi Prasad Bagchi	60/A, Hamilton Court DLF City,Phase-4 Gurgaon, Haryana- 122009
9.	Mr. H. Rathnakar Hegde	253/1 002, Terrazo Krishvi, Old Hal, 2nd Stage, Bangal 1 Cross 10, Main Defence Colony, Bangalore, Karnataka 560038
10.	Mr. Sandeep Singhal	C-76, Diamond Distt., Airport Road, Benglore, Karnataka-560008
11.	Mrs. Sushmita Shekhar	E-421, First Floor, Greater Kailash-II, New Delhi-110048

23. **Relationship subsisting between the Companies who are Parties to the Scheme**

KSPL forms a part of promoter group of KCL. As on 31st December, 2016, KSPL holds 6,43,65,138 equity shares of face value of Re 1/- each fully paid up of KCL comprising of 40.50% of total paid up share capital of KCL.

24. **Board Meeting approving the original Scheme of Arrangement**

At the meeting held on 11th July, 2016, based on the recommendations of the Audit Committee, the Board of Directors of KCL had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated

8th July, 2016 issued by M/s J.N. Sharma & Co., Chartered Accountants and Fairness Opinion dated 9th July, 2016 issued by M/s SPA Capital Advisors Ltd, an Independent Category-I Merchant Banker.

The said Scheme of Arrangement was unanimously approved by Board of Directors of KSPL vide resolution passed at its Board Meeting held on 11th July, 2016.

Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolutions:

i. **KSPL**

Name of the Directors of KSPL present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Mrs. Versha Kajaria	In Favour
Mr. Chetan Kajaria	In Favour
Mr. Rishi Kajaria	In Favour

ii. **KCL**

Name of the Directors of KCL present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Mr. Dev Datt Rishi	In Favour
Mr. Debi Prasad Bagchi	In Favour
Mr. Ram Ratan Bagri	In Favour
Mr. Raj Kumar Bhargava	In Favour
Mrs. Sushmita Shekhar	In Favour

25. **Modification of Scheme**

That due to passage of time and to better reflect the current position, the Board of Directors of KSPL and KCL have further approved the modified Scheme of Arrangement at their respective board meeting dated 24th January, 2017. The modification to the Scheme includes changes in the Appointed Date from 1st April, 2016 to 31st March, 2017 (closing hours of business on 31st March, 2017) and other minor changes, including correction of typographical errors. That as required, KCL has intimated the BSE Limited and National Stock Exchange of India Limited vide its letter dated 10th March, 2017 and 15th March, 2017 qua the modifications made to the Scheme.

Considering the above, the Scheme annexed to this notice is the modified Scheme of Arrangement as approved by Board of Directors of KSPL and KCL at their respective Board meeting dated 24th January, 2017.

Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolutions:

i. **KSPL**

Name of the Directors of KSPL present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Mrs. Versha Kajaria	In Favour
Mr. Chetan Kajaria	In Favour
Mr. Rishi Kajaria	In Favour

ii. **KCL**

Name of the Directors of KCL present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Mr. Dev Datt Rishi	In Favour
Mr. Debi Prasad Bagchi	In Favour
Mr. H. RathnakarHegde	In Favour
Mr. Ram Ratan Bagri	In Favour
Mr. Raj Kumar Bhargava	In Favour
Mrs. Sushmita Shekhar	In Favour

26. Brief details of the Scheme

S.No.	Particulars	Particulars
i.	Parties involved in the Scheme	(a) Kajaria Securities Private Limited (b) Kajaria Ceramics Limited and their shareholders and creditors
ii.	Scheme of Arrangement	The Scheme provides for the amalgamation of KSPL into KCL, consequent issue of shares by KCL to shareholders of KSPL and then, reduction of share capital of KCL in the manner set out in the Scheme and in accordance with the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of law.
iii.	Appointed Date	Closing hours of business on 31st March, 2017 or such other date as may be approved by the Hon'ble National Company Law Tribunal, Bench at Chandigarh or any other competent authority.
iv.	Effective Date	The last of the dates on which all the conditions and matters referred to in Clause 21 of Scheme have been fulfilled.
v.	Summary of Valuation Report dated 8th July, 2016 obtained from M/s. J.N. Sharma & Co., Chartered Accountants	Since KSPL has no other business activity other than holding shares in KCL, the valuer has recommended a share exchange ratio in the following proportion: <i>"1(one) fully paid up equity share of KCL to be issued and allotted to the shareholders of KSPL in proportion of their respective shareholding in KSPL for every 1(one) fully paid up equity share held by KSPL in KCL."</i> The valuation report is available for inspection at the registered office of KCL and also annexed herewith
vi.	Summary of Fairness Opinion report dated 9th July, 2016 obtained from M/s. SPA Capital Advisors Ltd, Independent Category-I Merchant Banker	Fairness Opinion report declares that the share exchange ratio pursuant to Scheme as recommended by M/s. J.N. Sharma & Co., Chartered Accountants is fair as per their understanding as all the shareholder of KSPL will upon amalgamation remain ultimate beneficial owner of KCL in same ratio (inter se) as before amalgamation
vii.	Rationale of the Scheme or the benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others	KSPL forms the part of promoter group of KCL. Pursuant to the proposed Scheme, KSPL would cease to form part of the Promoter Group of KCL and the shareholders of KSPL would directly hold the equity shares in KCL in the same proportion as they held through KSPL which will be dissolved without the process of winding up. The Amalgamation of KSPL into KCL would not only lead to simplification of the shareholding structure and reduction of the shareholding tiers, but also demonstrate the promoter group direct commitment to and engagement with KCL. There would be no change in the promoter shareholding of KCL. The promoters would continue to hold the same percentage of shares collectively in KCL, pre and post amalgamation of KSPL into KCL. The proposed restructuring between the KSPL and KCL is in the interest of the shareholders, creditors, employees and other stakeholders of each company, as it would enable a direct control over KCL and more focused business approach for the maximization of benefits to all stakeholders.
viii.	Amounts due to Unsecured Creditors as on 31st December, 2016	Kajaria Securities Private Limited: KSPL does not have any Unsecured Creditors as on 31st December, 2016. Kajaria Ceramics Limited: KCL has 3,494 Unsecured Creditors having an outstanding balance of Rs. 2,27,15,88,353 (Rupees Two Hundred and Twenty Seven Crores Fifteen Lakhs Eighty Eight Thousand Three Hundred Fifty Three only) as on 31st December, 2016.

27. Key salient features of the Scheme

i. Amalgamation of the KSPL into KCL

- (a) **“Appointed Date”** means closing hours of business on 31st March, 2017 or such other date as may be approved by the Hon’ble High Court of Punjab & Haryana at Chandigarh or National Company Law Tribunal, if required or any other competent authority.
- (b) **“Effective Date”** means the last of the dates on which all the conditions and matters referred to in Clause 21 of Scheme have been fulfilled.
- (c) **“High Court” or “Court”** means the Hon’ble High Court of Punjab & Haryana at Chandigarh or such other court of appropriate jurisdiction and shall include the National Company Law Tribunal (“NCLT”), if applicable; and “High Courts” or “High Court” shall mean both of them, as the context may require.
- (d) **“Record Date”** shall be the date or dates to be fixed by the Board of Transferor and /or Transferee Company for the purpose of determining the names of the equity shareholders of the Transferor company for issue of equity shares of the Transferee Company pursuant to this Scheme.
- (e) **Amalgamation and transfer and vesting of KSPL into KCL:** With effect from the Appointed Date or such other date as may be fixed or approved by the High Court or any other appropriate authority and upon the Scheme becoming effective, KSPL shall pursuant to the sanction of this Scheme by the High Court and in accordance with the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 or provisions of Companies Act, 2013 as applicable be and stand transferred to and vested in or be deemed to have been transferred to and vested in KCL, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the assets and liabilities of KCL by virtue of and in the manner provided in this Scheme.
- (f) **Consideration:** On amalgamation of the KSPL into KCL,
- 1) KCL shall issue and allot equity shares to the Equity Shareholders of KSPL or such of their respective heirs, executors, administrators, or other legal representatives or other successors in title, as may be recognized by the Board of KCL and approved by them, and whose names appear in the Register of Members of KSPL on the Record Date, the following proportion:

“1 (One) fully paid up equity share of KCL to be issued and allotted to the shareholders of KSPL in proportion of their respective shareholding in KSPL for every 1 (one) fully paid up equity share held by KSPL in KCL.

Therefore 3,20,62,529 (Three Crores Twenty Lacs Sixty Two Thousand Five Hundred And Twenty Nine) fully paid up equity shares of face value of Rs.2/- (Rupees Two) each of KCL to be issued and allotted to shareholders of KSPL in proportion of their respective holding in KSPL.”
 - 2) The above share exchange ratio is based on the following share capital positions of KSPL and KCL on 11th July, 2016:
 - 3,20,62,529 equity shares of face value of Rs. 2/- each fully paid up of KCL held by KSPL; and
 - 12,14,600 equity shares of face value of Rs. 10/- each fully paid up of KSPL.
 - 3) The aforesaid ratio shall be suitably adjusted for any changes in the share capital position as mentioned above, whether by means of a bonus issue, split of shares, sub-division of shares, consolidation of shares, capital reduction, re-classification of shares or any other corporate action. All such adjustments to the Equity Shares on Amalgamation shall be deemed to be carried out as an integral part of this Scheme, and the resultant Equity Shares on Amalgamation shall be adopted in aforesaid ratio without any further act or deed, upon agreement in writing by both KSPL and KCL.
 - 4) On the Scheme becoming effective, KSPL shall be dissolved without going through the process of winding up and no person shall make assert or take any claims, demands or proceedings against a director or officer thereof in his capacity as such director or officer except in so far as necessary for enforcing the provisions of this order.

- (g) The Scheme is and shall be conditional upon various events listed in Clause 21– “Conditionality of the Scheme”.
- (h) All costs and charges of any nature arising or incurred in connection with and implementing this Scheme shall be borne by KSPL and / or its members.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

28. It may be noted that after 11th July, 2016, the share capital positions of KCL has changed due to sub-division of shares of KCL and further acquisition by KSPL of shares in KCL. The share capital position of KSPL and KCL as on 31st December, 2016 is:

- 6,43,65,138 equity shares of face value of Re.1/- each fully paid up of KCL held by KSPL; and
- 12,14,600 equity shares of face value of Rs. 10/- each fully paid up of KSPL.

29. Pursuant to change in the share capital position mentioned above, 6,43,65,138 (Six Crores Forty Three Lakhs Sixty Five Thousand One Hundred Thirty Eight only) fully paid up equity shares of face value of Re.1/- (Rupee One) each of KCL to be issued and allotted to shareholders of KSPL in proportion of their respective holding in KSPL.

30. It may further be noted that in case of any change in the share capital positions till the Record Date, the share exchange ratio shall be suitably adjusted to account for such change and discharge the consideration for the amalgamation accordingly.

31. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013. The certificates issued by the respective Statutory Auditors of the Applicant Companies are open for inspection at the registered office of KCL.

32. Approvals/ Sanctions/ No-Objections from Regulatory or any Governmental Authorities

- i. The Company has received, in terms of Regulation 37 of SEBI LODR Regulations, Observation Letters conveying ‘No-Objection/ No adverse observation’ to Scheme from BSE Limited and National Stock Exchange of India Limited dated 19th September, 2016 and 20th September, 2016 respectively. Copies of the said letters are enclosed as Annexures to this Notice.
- ii. As required by the SEBI Circular CIR/CFD/CMD/16/2015 dated 30th November, 2015, KCL has filed the Complaints Reports with the BSE Limited and National Stock Exchange of India Limited. After filing of the Complaint Reports, KCL has not received any complaint. Copies of the said report is enclosed as Annexure to this Notice.

33. Effect of the Scheme on various parties

i. **Directors and Key Managerial Personnel (‘KMP’) –** Out of 3 Directors of KSPL, 2 directors of KSPL are already directors in KCL. There is no significant effect of the Scheme on the director and/or key managerial personnel of KSPL & KCL.

ii. **Promoter & Non-Promoter Shareholders of KSPL and KCL:**

Equity shareholders of KSPL shall be eligible for issuance of equity shares of KCL based on the valuation report dated 8th July, 2016 obtained from M/s. J.N. Sharma & Co., Chartered Accountants. Upon the scheme becoming effective, the shares held by KSPL in KCL will be cancelled and equal number of equity shares will allotted to shareholders of KSPL. So, the promoters would continue to hold the same percentage of shares collectively in KCL. Thus, the rights and interest of the Promoters and Non-Promoter Shareholders of KSPL and KCL involved in the Scheme will not be prejudicially affected by the Scheme.

iii. **Depositors and Deposit Trustee:** Neither KSPL nor KCL has accepted any deposits.

iv. **Creditors –** KSPL has no secured and unsecured creditors as on 31st December, 2016. The rights and interest of the respective creditors of KSPL (if any at later stage) & KCL involved in the Scheme will not be prejudicially affected by the Scheme as post Scheme, Applicant Companies shall meet its liabilities as they arise in the ordinary course of business. Further the rights and interests of the Creditors will not be prejudicially affected by the Scheme as there is no Compromise and/or Arrangement with the Creditors since no sacrifice or waiver is, at all, called from them nor are their terms or rights sought to be modified in any manner.

v. **Debenture Holders and Debenture Trustees-** Neither KSPL nor KCL has issued any debentures.

vi. **Employees**

Employees of KSPL- As per Clause 14 of the Scheme, no rights and interests of employees of KSPL will be prejudicially affected by the Scheme

Employees of KCL-The rights and interests of employees of KCL will not be prejudicially affected by the Scheme since their terms or rights are not sought to be modified in any manner.

34. **Effect on material interest of Director, KMP and Debenture Trustee**

i. **Director and/ or KMP -** The Directors or KMPs or their relatives of the KSPL and/or KCL do not have any other interest in the Scheme otherwise than that as shareholders in KSPL and/or KCL. The effect of the Scheme on interests of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interests of other persons.

ii. **Debenture Trustee-** Neither KSPL nor KCL has issued any debentures

35. **Details of the Directors and Key Managerial Personnel (KMP) and their respective equity shareholding as on 31st December, 2016 are as follows:**

KSPL

Sr.No.	Name of the Directors and KMP of KSPL ¹	No. of shares held in KCL	% shareholding in KCL	No. of shares held in KSPL	% shareholding in KSPL
Directors					
1.	Mrs. Versha Kajaria	17,78,014	1.12%	2,05,500	16.92%
2.	Mr. Chetan Kajaria	13,39,880	0.84%	1,65,000	13.59%
3.	Mr. Rishi Kajaria	18,05,716	1.14%	1,56,400	12.88%

¹There is no Key Managerial Personnel in KSPL

KCL

Sr.No.	Name of the Directors and KMP of KCL	No. of shares held in KCL	% shareholding in KCL	No. of shares held in KSPL	% shareholding in KSPL
Directors					
1.	Mr. Ashok Kumar Kajaria	10,47,004	0.66%	2,68,700	22.12%
2.	Mr. Chetan Kajaria	13,39,880	0.84%	1,65,000	13.59%
3.	Mr. Rishi Kajaria	18,05,716	1.14%	1,56,400	12.88%
4.	Mr. Dev Datt Rishi	400	0.00%	-	-
5.	Mr. Basant Kumar Sinha	-	-	-	-
6.	Mr. Ram Ratan Bagri	40,000	0.02%	-	-
7.	Mr. Raj Kumar Bhargava	18,592	0.01%	-	-
8.	Mr. H. Rathnakar Hegde	-	-	-	-
9.	Mr. Debi Prasad Bagchi	-	-	-	-
10.	Mr. Sandeep Singhal	-	-	-	-
11.	Mrs. Sushmita Shekhar	-	-	-	-
KMP					
1.	Mr. Ram Chandra Rawat	-	-	-	-
2.	Mr. Sanjeev Agarwal	-	-	-	-

36. **Capital Structure- Pre and Post Scheme**

Capital structure (Pre & Post Scheme) of KSPL & KCL will be as under:

KSPL

Particulars	Pre-Scheme as on 31st December, 2016	
	No. of Shares	Amount (Rs.)
Authorised Share Capital:		
Equity Shares of Rs.10/- each	2,70,00,000	27,00,00,000
Preference Shares of Rs.10/- each	6,71,00,000	67,10,00,000
Total	9,41,00,000	94,10,00,000
Issued, Subscribed & Fully Paid Up Share Capital:		
Equity Shares of Rs.10/- each	12,14,600	1,21,46,000
Total	12,14,600	1,21,46,000

Post Scheme: Not Applicable as KSPL would be merged with KCL and post Scheme, KSPL will be dissolved without going through the process of winding up.

KCL

Particulars	Pre-Scheme as on 31st December, 2016		Post-Scheme (Expected)	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Authorised Share Capital:				
Equity shares of Re. 1/- each	25,00,00,000	25,00,00,000	25,00,00,000	25,00,00,000
Equity Shares of Rs.10/- each	-	-	2,70,00,000	27,00,00,000
Preference Shares of Rs.10/- each	-	-	6,71,00,000	67,10,00,000
Preference Shares of Rs.100/- each	10,00,000	10,00,00,000	10,00,000	10,00,00,000
Total	25,10,00,000	35,00,00,000	34,51,00,000	1,29,10,00,000
Issued, Subscribed & Fully Paid Up Share Capital:				
Equity shares of Re. 1/- each	15,89,38,000	15,89,38,000	15,89,38,000	15,89,38,000
Total	15,89,38,000	15,89,38,000	15,89,38,000	15,89,38,000

37. **Shareholding Pattern- Pre and Post Scheme**

KSPL

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding as on 31st December, 2016	
		No. of shares	%
1.	M/s A.K Kajaria (HUF)	3,79,000	31.20%
2.	Mr. Ashok Kumar Kajaria	2,68,700	22.12%
3.	Mr. Chetan Kajaria	1,65,000	13.59%
4.	Mr. Rishi Kajaria	1,56,400	12.88%
5.	Mrs. Versha Kajaria	2,05,500	16.92%
6.	Mrs. Rasika Kajaria	40,000	3.29%
Total		12,14,600	100.00%

Post Scheme: Not Applicable as KSPL would be merged with KCL pursuant to the Scheme and entire Pre-Scheme Paid-up Equity Share Capital of KSPL shall stand cancelled in pursuance of the Scheme.

KCL

Sr. No.	Description	Pre-Scheme shareholding as on 31st December, 2016		Post-Scheme shareholding of KCL (Expected)	
		No. of shares	% of (A+B+C)	No. of shares	% of (A+B+C)
(A)	PROMOTER AND PROMOTER GROUP				
1.	Indian				
(a)	Individuals / Hindu Undivided Family	1,09,56,364	6.89%	7,53,21,502	47.39%
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-
(d)	Any other:				
	Body Corporates	6,43,65,138	40.50%	-	-
	Sub-Total A(1):	7,53,21,502	47.39%	7,53,21,502	47.39%
2.	Foreign				
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-
(b)	Government	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-
(e)	Any Other (specify)	-	-	-	-
	Sub-Total A(2) :	-	-	-	-
	Total A=A(1)+A(2)	7,53,21,502	47.39%	7,53,21,502	47.39%
(B)	PUBLIC SHAREHOLDING				
1.	Institutions				
(a)	Mutual Funds/UTI	42,41,451	2.67%	42,41,451	2.67%
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	4,31,53,966	27.15%	4,31,53,966	27.15%
(f)	Financial Institutions/ Banks	58,460	0.04%	58,460	0.04%
(g)	Insurance Companies	8,42,571	0.53%	8,42,571	0.53%
(h)	Provident Funds/ Pension Funds	-	-	-	-
(i)	Any other (specify)	-	-	-	-
	Sub-Total B(1) :	4,82,96,448	30.39%	4,82,96,448	30.39%
2.	Central Government/ State Government(s)/ President of India	-	-	-	-
	Sub-Total B(2):	-	-	-	-
3.	Non-Institutions				
(a)	Individual shareholders holding nominal share capital up to Rs. 2 lakhs	1,49,05,379	9.38%	1,49,05,379	9.38%
	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	29,44,675	1.85%	29,44,675	1.85%
(b)	NBFCs registered with RBI	4,040	0.00%	4,040	0.00%
(c)	Employee Trusts	-	-	-	-
(d)	Overseas Depositories (holding DRs)	-	-	-	-

Sr. No.	Description	Pre-Scheme shareholding as on 31st December, 2016		Post-Scheme shareholding of KCL (Expected)	
		No. of shares	% of (A+B+C)	No. of shares	% of (A+B+C)
(e)	Any Other				
	I. Other Bodies Corporate	43,16,966	2.72%	43,16,966	2.72%
	II. a) NRI with REPAT	7,68,881	0.48%	7,68,881	0.48%
	II. b) NRI without REPAT	3,56,677	0.22%	3,56,677	0.22%
	III. Trust	2,52,592	0.16%	2,52,592	0.16%
	IV. Cooperative Societies	-	-	-	-
	V. Education Institutions	-	-	-	-
	VI. OCB	-	-	-	-
	VII. Foreign Companies	1,17,70,840	7.41%	1,17,70,840	7.41%
	Sub-Total B(3):	3,53,20,050	22.22%	3,53,20,050	22.22%
	Total B=B(1)+B(2)+B(3):	8,36,16,498	52.61%	8,36,16,498	52.61%
(C)	NON PROMOTER- NON PUBLIC				
1.	Custodian/DR Holder	-	-	-	-
2.	Shares held by Employee Trust	-	-	-	-
	Total C= C(1)+C(2):	-	-	-	-
	GRAND TOTAL (A+B+C):	15,89,38,000	100%	15,89,38,000	100%

38. As director by NCLT, a person, whose name is recorded in the books of accounts as Unsecured Creditors maintained by KCL as on the cut-off date i.e. 31st December, 2016, shall be entitled to vote in person or proxy at the meeting.
39. The copy of draft scheme has been filed with the Registrar of Companies.
40. No investigation or proceedings have been instituted or are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against KCL.
41. No winding up petition has been admitted against the KCL.
42. The following documents will be open for obtaining extracts from or for making or obtaining copies or inspection by the Unsecured Creditors of KCL up to conclusion of the meeting at its registered office between 10:00 A.M. to 12:00 Noon on all working days, except Saturdays, Sundays and Public Holidays:
- Copy of the Order dated 04th May, 2017 of the NCLT passed in Company Application No. 05/CHD/HRY/2017 of 2017 directing the convening of the meeting of the Unsecured Creditors of KCL;
 - Copy of the Company Application No. 05/CHD/HRY/2017 of 2017;
 - Copy of Scheme of Arrangement;
 - Memorandum and Articles of Association of KSPL and KCL;
 - Annual Report (including audited financial statement) of KCL for the financial year ended 31st March, 2016;
 - Copy of latest audited financial statements of KCL for the period ended 31st March, 2017, as approved by Board of Directors, subject to approval of equity shareholders at the annual general meeting;
 - Annual Report (including audited financial statement) of KSPL for the financial year ended 31st March, 2016;
 - Supplementary unaudited accounting statement of KCL for the period ended 31st December, 2016
 - Supplementary unaudited accounting statement of KSPL for the period ended 31st December, 2016
 - Copies of the valuation report dated 8th July, 2016 issued by M/s J.N. Sharma & Co., Chartered Accountants and Fairness Opinion dated 9th July, 2016 issued by M/s SPA Capital Advisors Ltd, Independent Category-1 Merchant Banker thereon;
 - Report adopted by Board of Directors of KCL explaining the effect of the Scheme of Arrangement on its shareholders, key managerial personnel, promoters and non-promoter shareholders

- xii. Report adopted by Board of Directors of KSPL explaining the effect of the Scheme of Arrangement on its shareholders, key managerial personnel, promoters and non-promoter shareholders
 - xiii. Certificates issued by respective Statutory Auditors of KSPL & KCL in relation to the accounting treatment prescribed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of Companies Act, 2013;
 - xiv. Copy of the Complaints Report submitted to National Stock Exchange of India Limited and BSE Limited and also uploaded on the Company's website;
 - xv. Copy of Observation letters conveying 'No objection/ no adverse observation' to the Scheme issued by National Stock Exchange of India Limited and BSE Limited;
 - xvi. Register of Director's Shareholdings of KSPL & KCL.
43. This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013.
44. A copy of the Scheme, Explanatory Statement and Proxy Form shall be furnished by KCL to its Unsecured Creditors, free of charge, within 1 (one) day (except Saturday, Sunday and public holiday) on a requisition being so made for the same by the Unsecured Creditors of KCL.
45. After the Scheme is approved, by the equity shareholders, secured creditors and unsecured creditors of KCL, it will be subject to the approval/sanction by NCLT.

R.C. Rawat
COO (A&T) & Company Secretary
FCS-5101
Authorised by Board Resolution dated 11th July, 2016
on behalf of Board of Directors of Kajaria Ceramics Limited

Date this 9th day of June, 2017
Place: New Delhi

Registered Office:
Kajaria Ceramics Limited,
SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road,
Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001
CIN - L26924HR1985PLC056150

SCHEME OF ARRANGEMENT**BETWEEN****KAJARIA SECURITIES PRIVATE LIMITED
(TRANSFEROR COMPANY)****AND****KAJARIA CERAMICS LIMITED
(TRANSFeree COMPANY)****UNDER SECTION 391 READ WITH SECTION 394 READ WITH SECTION 100-103 OF THE
COMPANIES ACT, 1956 IN RESPECT OF AMALGAMATION OF KAJARIA SECURITIES PRIVATE
LIMITED INTO KAJARIA CERAMICS LIMITED**

PREAMBLE

This Scheme of Arrangement ("Scheme") provides for the amalgamation of KAJARIA SECURITIES PRIVATE LIMITED (hereinafter referred to as "KSPL" or the "Transferor Company") into KAJARIA CERAMICS LIMITED (hereinafter referred to as "KCL" or the "Transferee Company"), and also provides for matters connected therewith under Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 ("the Act"), including the corresponding provisions of the Companies Act, 2013 as and when applicable.

DESCRIPTION OF COMPANIES

KSPL is a company incorporated on June 19, 1986, under the Companies Act, 1956 under the name of Kajaria Overseas Private Limited. The name of KSPL was changed to Cheri Overseas Private Limited on January 12, 1989. On November 24, 1992, the name of KSPL was again changed to its present name that is Kajaria Securities Private Limited. At the time of incorporation of KSPL, the registered office of KSPL was situated at J-1/ B-1 (Extn), Mohan Cooperative Industrial Estate, Mathura Road, New Delhi 110044, and the same was changed to SF-02, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001 on June 9, 2015.

KSPL is a declared promoter company holding shares in KCL.

KCL was incorporated on December 20, 1985. At the time of incorporation of KCL, the registered office of KCL was situated at A-27 -30, Industrial Area, Sikandrabad, Distt Bulandshahr (UP) - 203205, the same was changed to SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001 on 27th July 2015. KCL is one of largest manufacturer of ceramics and vitrified tiles in India. The Equity Shares of KCL are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd. ('NSE').

PURPOSE AND RATIONALE OF THE SCHEME

This Scheme of Arrangement is presented under Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956, including the corresponding provisions of

the Companies Act, 2013, (as and when applicable) where under the amalgamation of KSPL with KCL is envisaged.

KSPL forms part of the Promoter Group of KCL. It holds 3,20,62,529 Equity shares of Rs. 2/- each fully paid up in KCL constituting 40.35% of KCL's paid up equity share capital as on July 11, 2016. Pursuant to the proposed Scheme, KSPL would be ceased to form part of the Promoter Group of KCL and individual promoters of KCL ("Promoters") would directly hold the equity shares in KCL in the same proportion as they held through KSPL which will be dissolved without the process of winding up.

The Amalgamation of KSPL into KCL would not only lead to simplification of the shareholding structure and reduction of the shareholding tiers, but also demonstrate the promoter group direct commitment to and engagement with KCL.

There would be no change in the promoter shareholding of KCL. The promoters would continue to hold the same percentage of shares collectively in KCL, pre and post amalgamation of KSPL into KCL.

All costs and charges of any nature arising or incurred in connection with and implementing this Scheme shall be borne by KSPL and or / its members.

Further this Scheme also provides that Promoters shall indemnify KCL and keep KCL indemnified for any contingent liabilities and obligations including all demands, claims, suits, proceedings and the like which may be instituted by any third party(ies) including governmental authorities on KCL and are directly relatable to KSPL or which may devolve on KCL on account of this Scheme.

In consideration of the above mentioned rationale and related benefits, this Scheme between KSPL and KCL is being proposed in accordance with the terms set out hereunder.

PARTS OF THE SCHEME

PART A - DEFINITIONS AND SHARE CAPITAL

PART B - AMALGAMATION OF KSPL INTO KCL

PART C - GENERAL TERMS AND CONDITIONS OF AMALGAMATION

PART D - ISSUE OF SHARES AND ACCOUNTING TREATMENT

PART E - MISCELLANEOUS PROVISIONS

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PART A - DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme of Arrangement, unless inconsistent / repugnant with the subject, context or meaning thereof, the following initialed and/or fully capitalized words or expressions shall have the meaning as set out herein below:

- (a) **“Act”** or **“the Act”** means the Companies Act, 1956, and / or the Companies Act, 2013 and shall include any and all statutory amendments, modifications or re-enactment thereof from time to time. As on the date of approval of this Scheme by the Board of Directors of KSPL and KCL, Section 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to the particular provisions of the Act are references to particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of the provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted;
- (b) **“Amalgamation”** means the combination of the KSPL into KCL in such a manner that all the Assets and Liabilities of KSPL become the Assets and Liabilities of KCL and KSPL ceases to exist forthwith without the process of winding up;
- (c) **“Appointed Date”** means closing hours of business on 31st March, 2017 or such other date as may be approved by the Hon’ble High Court of Punjab & Haryana at Chandigarh or National Company Law Tribunal, if required or any other competent authority;
- (d) **“Appropriate Authority”** means any government, statutory, regulatory, departmental or public body, or authority within the territories of State of Haryana, including Registrar of Companies, NCT of Delhi and Haryana, New Delhi, High Court, National Company Law Tribunal (NCLT), if required, Securities and Exchange Board of India (‘SEBI’) and Stock Exchange(s) where the shares of KCL are listed;
- (e) **“Audit Committee”** in relation to the KSPL & KCL, as the case may be, means an audit committee of such company as constituted from time to time;
- (f) **“Board of Directors”** or **“Board”** of KSPL and KCL shall include any committee or any person authorised by Board of Directors or such committee of Directors;
- (g) **“BSE”** means the BSE Limited, the designated stock exchange of KCL;
- (h) **“Effective Date”** means the last of the dates on which all the conditions and matters referred to in Clause 21 hereof have been fulfilled. References in this Scheme to the date of “coming into effect of this Scheme”, “upon the Scheme becoming effective” or “effectiveness of this Scheme” shall mean the Effective Date;
- (i) **“High Court”** or **“Court”** means the Hon’ble High Court of Punjab & Haryana at Chandigarh or such other court of appropriate jurisdiction and shall include the National Company Law

Tribunal ("NCLT"), if applicable; and "High Courts" or "High Court" shall mean both of them, as the context may require;

- (j) **"Income-tax Act"** means the Income-tax Act, 1961, and shall include any statutory modifications, re-enactment or amendment thereof;
- (k) **"KSPL" or "Transferor Company"** means KAJARIA SECURITIES PRIVATE LIMITED, a company incorporated under the Act and presently having its registered office SF-02, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana-122001;
- (l) **"KCL" or "Transferee Company"** means KAJARIA CERAMICS LIMITED, a listed company incorporated under the Act and presently having its registered office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana-122001;
- (m) **"Law" or "Applicable Law"** shall means 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;
- (n) **"NSE"** means National Stock Exchange of India Ltd;
- (o) **"RECORD DATE"** shall be the date or dates to be fixed by the Board of Transferor and /or Transferee Company for the purpose of determining the names of the equity shareholders of the Transferor company for issue of equity shares of the Transferee Company pursuant to this Scheme
- (p) **"ROC" or "Registrar of Companies"** means Registrar of Companies, NCT of Delhi and Haryana;
- (q) **"Scheme of Arrangement" or "this Scheme" or "the Scheme"** means this Scheme of Arrangement in its present form or with any modifications, as approved or directed by the Hon'ble High Court of Punjab & Haryana at Chandigarh or any other appropriate authority;
- (r) **"SEBI"** means Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992;
- (s) **"SEBI Circular"** means the circular no. CIR/CFD/CMD/16/2015 dates November 30, 2015 and as issued by SEBI from time to time in respect of Scheme.;
- (t) **"SEBI Regulations"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by SEBI and any amendments made thereof;

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time. In particular,

wherever reference is made to High Court in the Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority as may be vested with the powers of the High Court under the Act.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) shall be operative with effect from the Appointed Date but take effect from the Effective Date.

3. SHARE CAPITAL

- 3.1 The Authorised, Issued, Subscribed and Paid Up share capital of KSPL as on March 31, 2016 as per audited financial statements is as follows:

PARTICULARS	AMOUNT (Rs)
<u>AUTHORISED CAPITAL</u>	
2,70,00,000 Equity Shares of Rs 10/- each	27,00,00,000
6,71,00,000 Preference Shares of Rs 10/- each	67,10,00,000
TOTAL	94,10,00,000
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>	
12,14,600 Equity Shares of Rs. 10/- each	1,21,46,000
TOTAL	1,21,46,000

Subsequent to the above Balance Sheet date and till the approval of the Scheme by the Board of Directors of KSPL, there is no change in the Share Capital structure set out above.

- 3.2 The Authorised, Issued, Subscribed and Paid Up share capital of KCL as on March 31, 2016 as per audited financial results as approved by Board of Directors on 28 April 2016 is as follows:

PARTICULARS	AMOUNT (Rs)
<u>AUTHORISED CAPITAL</u>	
12,50,00,000 Equity Shares of Rs.2/- each	25,00,00,000
10,00,000 Preference Shares of Rs. 100/- each	10,00,00,000
TOTAL	35,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>	
7,94,69,000 Equity Shares of Rs 2/- each	1,58,938,000
TOTAL	1,58,938,000

Subsequent to the above Balance Sheet date and upto July 11, 2016, vide Board meeting dated June 16, 2016 following has been approved by the Board subject to the approval of the shareholders:

- i. Sub-division of the equity shares of the Company from Rs. 2/- each fully paid up to Re. 1/- each fully paid up i.e. 7,94,69,000 equity shares of Rs. 2/- each fully paid up will be sub divided into 15,89,38,000 equity shares of Re.1/- each fully paid up.

ii. Amendment in clause V (Capital Clause) of the Memorandum of Association of the Company.

3.3 The Equity shares of KCL are listed on BSE & NSE. The Equity Shares of KSPL are not listed on any of the stock exchange.

4. COMPLIANCE WITH THE TAX LAWS

This Scheme, has been drawn up to comply with the conditions relating to “Amalgamation” as specified under the tax laws, specifically section 2(1B) of the Income Tax Act, 1961, and other relevant sections of the Income Tax Act, 1961 which includes the following:

- all the property of the amalgamating company immediately before the amalgamation becomes the property of the amalgamated company by virtue of the amalgamation;
- all the liabilities of the amalgamating company immediately before the amalgamation become the liabilities of the amalgamated company by virtue of the amalgamation;
- shareholders holding not less than three-fourths in value of the shares in the amalgamating company (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the amalgamated company or its subsidiary) become shareholders of the amalgamated company by virtue of the amalgamation, otherwise than as a result of the acquisition of the property of one company by the other company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first mentioned company.

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 tax laws 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. Notwithstanding the other provisions of this Scheme, the power to make such amendments as may become necessary shall vest with the Board of Directors of KCL, which power shall be exercised reasonably in the best interests of the companies and their stakeholders, and which power can be exercised at any time, whether before or after the Effective Date.

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PART B - AMALGAMATION OF KSPL INTO KCL

5. TRANSFER AND VESTING

With effect from the Appointed Date or such other date as may be fixed or approved by the High Court or any other appropriate authority and upon the Scheme becoming effective, KSPL shall pursuant to the sanction of this Scheme by the High Court and in accordance with the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 or provisions of Companies Act, 2013 as applicable be and stand transferred to and vested in or be deemed to have been transferred to and vested in KCL, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the assets and liabilities of KCL by virtue of and in the manner provided in this Scheme.

6. TRANSFER OF ASSETS

Upon the sanction of the Scheme by the High Court, and without prejudice to the generality of the preceding Clause, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- 6.1. All the assets and properties of KSPL of whatsoever nature and wheresoever situated, including all rights, titles, interest and privileges, powers and authorities in the movable and immovable properties, tangible and intangible assets, including capital work-in-progress, bank balances, all advances recoverable in cash or kind or value to be received, and all deposits/balance whether with Government or Semi-Government, local authorities or any other institution and bodies, including but not limited to amounts receivables from insurance companies, advance tax(es) paid, if any, all benefits accruing as on the Appointed Date under the Income tax Act or under any other fiscal laws like sales tax credit, input service tax credit, cenvat credit and deferred tax asset etc., deposits, margin money, cash in hand, loans to any other body corporate, investments of all kinds, inventories, lease and hire purchase contracts, licensing arrangements, license fees, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals including but not limited to approvals, consents and/or certificates obtained under the provisions of Income Tax Act, 1961, all consents, licenses, registrations in the name of KSPL, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, and privileges, if any of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by KSPL (hereinafter referred to as "Assets"), shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in KCL or be deemed to be transferred to and vested in KCL as a going concern so as to become, as and from the Appointed Date, the assets and properties of KCL.
- 6.2. Without prejudice to the provisions of Clause 6.1 above, in respect of such of the assets and properties of KSPL as are movable in nature or incorporeal property and are capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by KSPL and shall, upon such transfer, become the assets and properties of KCL without requiring any separate deed or instrument or conveyance for the same.

- 6.3. In respect of movables other than those dealt with in Clause 6.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in KCL without any notice or other intimation to the debtors (although KCL may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, or any class of them, as the case may be), that the said debt, loan, advance, balance or deposit stands transferred and vested in KCL. In addition, KSPL shall, if so required by KCL, issue notices in such form as KCL may deem fit and proper stating that pursuant to the High Court having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of KCL, as the person entitled thereto, to the end and intent that the right of KSPL to recover or realize the same stands transferred to KCL and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 6.4. Upon coming into effect of the Scheme all motor vehicles, if any, of any nature whatsoever comprised in or relatable to KSPL, shall vest in KCL and appropriate Governmental and Registration Authorities shall mutate and register the said vehicles in the name of KCL as if the vehicles had originally been registered in the name of KCL.
- 6.5. With effect from the Effective Date and until such time the names of the bank accounts of KSPL are replaced with that of KCL, KCL shall be entitled to operate the bank accounts of KSPL, in so far as may be necessary.
- 6.6. All cheques and other negotiable instruments, payment orders received in the name of KSPL after the Effective Date shall be accepted by the bankers of KCL and credited to the account of KCL. Similarly, the banker of KCL shall honour cheques issued by KSPL for payment after the Effective Date.
- 6.7. KCL, at any time after the coming into effect of this Scheme, may execute deeds of confirmation in favor of any party to any contract or arrangement or memorandum of understanding, to which KSPL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. KCL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of KSPL to carry out or perform all such formalities or compliance, referred to above on the part of KSPL to be carried out or performed.
- 6.8. All the statutory licenses, consents, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status, no objection certificates and other benefits or privileges enjoyed or conferred upon or held or availed of by KSPL, and all rights and benefits that have accrued or which may accrue to KSPL, whether before or after the Appointed Date, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to KCL so as to become, as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights,

claims, leases, tenancy rights, liberties, special status and other benefits or privileges of KCL and shall remain valid, effective and enforceable on the same terms and conditions. If the terms of the licenses, permits, quotas, approvals, permissions are such that they cannot be transferred/assigned/endorsed in the name of KCL and/or any of the concerned authorities specifically direct KCL to make a fresh application, in such scenarios, KCL shall comply with the necessary directions including but not limited to making a fresh application or such other application as may be directed by the concerned authority for the desired transfer of the licenses, permits, quotas, approvals, permissions in the name of KCL and pending the requisite fresh permissions, approvals, consents etc, KCL shall, to the extent permissible under the Law, be allowed to continue to use the existing approvals, consents, permissions etc issued in the name of KSPL. All brands, copyrights, trademarks, or any other kind of intellectual property, if any, registered with the authorities concerned or pending applications submitted at any time on or before the Effective Date or being used by KSPL shall stand vested in or transferred to KCL without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of KCL. The benefit of all brands, copyrights, trademarks, any other intellectual property, statutory and regulatory permissions, environmental approvals and consents, sales tax registrations, excise registrations, service tax registrations or other licenses and consents shall vest in and become available to KCL.

- 6.9. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of KSPL shall stand transferred by the order of the High Court to KCL, KCL shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning court.
- 6.10. With effect from the Appointed Date and upon the Scheme becoming effective, immovable property, if any, including but not limited to land and buildings with plants and equipment or any other immovable property of KSPL, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in KCL, without any further instrument, deed or act.
- 6.11. With effect from the Appointed Date and upon the Scheme becoming effective, KCL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties, if any. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of KCL by the appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble High Court and the Scheme becoming effective in accordance with the terms hereof.
- 6.12. All assets and properties of KSPL as on the Appointed Date, whether or not included in the books of KSPL, and all assets and properties which are acquired by KSPL on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of KCL, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in KCL upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act. Similarly, all the assets and properties, which are sold, transferred/ alienated by KSPL on or after the Appointed Date but prior to the Effective Date, shall be deemed to be

transferred/ alienated by and on behalf of KCL, and shall be recognized by KCL in the same manner as would have been recognized had such sale, transfer taken place after this Scheme had become effective under the provisions of Sections 391 to 394 and all other applicable provisions and upon the Scheme becoming effective, KCL shall record the entries in its books of accounts appropriately.

- 6.13. All the insurance policies registered in the name of KSPL shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of KCL and accordingly, the insurance companies shall record the name of KCL in all the insurance policies registered in the name of KSPL.

7. TRANSFER OF LIABILITIES

- 7.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities of KSPL including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, share application money, current maturity of secured long term borrowings from NBFC, advance received, liabilities (including contingent liabilities), duties and obligations of KSPL of every kind, nature and description whatsoever and howsoever (herein referred to as the "Liabilities"), shall, pursuant to the sanction of this Scheme by the High Court and under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in KCL, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by KCL to the extent they are outstanding on the Effective Date so as to become, as on and from the Appointed Date, the Liabilities of KCL on the same terms and conditions as were applicable to KSPL, and KCL shall meet, discharge and satisfy the same and further 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 Liabilities have arisen in order to give effect to the provisions of this Clause.
- 7.2. All debts, liabilities, duties and obligations of KSPL as on the Appointed Date, whether or not provided in the books of KSPL, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to KSPL on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by KCL by virtue of this Scheme.
- 7.3. Where any such debts, loans raised, liabilities, duties and obligations (including contingent liabilities) of KSPL as on the Appointed Date have been discharged or satisfied by KSPL after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of KCL.
- 7.4. All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by KSPL after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of KCL and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or be deemed to have been transferred to and vested in

KCL and shall become the loans and liabilities, duties and obligations of KCL which shall meet, discharge and satisfy the same.

- 7.5. Loans, duties and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between KSPL inter-se and/or KCL shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of KCL. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.
- 7.6. Upon the Scheme becoming effective, all taxes payable by KSPL under the Income Tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as "Tax Laws") shall be transferred to the account of KCL; similarly all credits for taxes including Minimum Alternate Tax, Tax deduction at source on income of KSPL or obligation for deduction of tax at source on any payment made by or to be made by KSPL shall be made or deemed to have been made and duly complied with by KCL if so made by KSPL. Similarly any advance tax payment required to be made for by the specified due dates in the tax laws shall also be deemed to have been made by KCL if so made by KSPL. Any refunds under the Tax Laws due to KSPL consequent to the assessments made on KSPL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by KCL.
- 7.7. All taxes of any nature, duties, cess or any other like payment or deductions made by KSPL to any statutory authorities such as Income Tax, Sales Tax, Service Tax etc. or any tax deduction / collection at source, tax credits under Tax laws, relating to the period after the Appointed Date up to the Effective Date shall be deemed to have been paid by or on account of KCL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to KCL upon the passing of the orders on this Scheme by the High Court upon relevant proof and documents being provided to the said authorities
- 7.8. The income tax, if any, paid by KSPL on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of KCL. Further, KCL shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by KSPL for any year, if so necessitated or consequent to this Scheme.

8. ENCUMBRANCES

- 8.1. The transfer and vesting of the Assets of KSPL to and in KCL shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 8.2. All the existing securities, mortgages, pledge, charges, encumbrances or liens (the "Encumbrances"), if any, as on the Appointed Date and/or created by KSPL after the Appointed Date, over the assets or any part thereof transferred to KCL by virtue of this Scheme and in so far as such Encumbrances secure or relate to Liabilities of KSPL or otherwise, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which

they are related or attached prior to the Effective Date and as are transferred to KCL, and such Encumbrances shall not relate or attach to any of the other assets of KCL.

- 8.3. The existing Encumbrances over the assets and properties of KCL or any part thereof which relate to the liabilities and obligations of KCL prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of KSPL transferred to and vested in KCL by virtue of this Scheme.
- 8.4. Any reference in any security documents or arrangements (to which KSPL is a party) to KSPL and its assets and properties, shall be construed as a reference to KCL and the assets and properties of KSPL transferred to KCL by virtue of this Scheme. Without prejudice to the foregoing provisions, KSPL and KCL may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.
- 8.5. Upon the coming into effect of this Scheme, KCL alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- 8.6. It is expressly provided that, save as herein provided, no other terms or conditions of the Liabilities transferred to KCL is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

The provisions of this Clause shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

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PART C - GENERAL TERMS AND CONDITIONS OF AMALGAMATION

9. BUSINESS AND PROPERTY IN TRUST

- 9.1. Upon the coming into effect of the Scheme, as and from the Appointed Date and upto and including the Effective Date:
- (a) KSPL shall carry on and be deemed to have carried on the business and activities and shall stand possessed of all the assets and properties, in trust for KCL and shall account for the same to KCL.
 - (b) Any income or profit accruing or arising to KSPL, as the case may be, and all costs, charges, expenses and losses or taxes incurred by KSPL shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of KCL and shall be available to KCL for being disposed off in any manner as it thinks fit.
- 9.2. With effect from the Appointed Date, all debts, liabilities, duties and obligations of the KSPL as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the KSPL, and all liabilities debts, duties, obligations which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the KCL

10. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

- 10.1. KSPL undertakes to preserve and carry out the business with reasonable diligence and prudence and shall not undertake any financial commitments or sell, transfer alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof, save and except in each case:
- a. If the same is in the ordinary course of business as carried on by it as on the date of filing of this Scheme with the High Court; or
 - b. If the same is expressly permitted under this Scheme; or
 - c. If prior written consent of the Board of Directors or its committee thereof of KCL has been obtained
- 10.2. Any of the rights, powers, privileges attached, related or pertaining to or exercised by KSPL shall be deemed to have been exercised by KSPL for and on behalf of, and in trust for and as an agent of KCL. Similarly any of the obligation, duties or commitment attached, related or pertaining to KSPL that have been undertaken or discharged by KSPL, shall be deemed to have been undertaken or discharged for and on behalf of and as an agent of KCL
- 10.3. KSPL shall not vary the terms and conditions of services of its employees except in the ordinary course of business

11. LEGAL PROCEEDINGS

- 11.1. All suits, action, legal proceedings of whatsoever nature by or against KSPL pending and/ or arising at the Appointed Date and relating to KSPL or its properties, assets, debts, liabilities, duties and obligations, shall be continued and/ or enforced until the Effective Date as desired by KCL and as and from the Effective Date shall be continued and enforced by or against KCL in the same manner and to the same extent as would or might have been continued and enforced by or against KSPL.
- 11.2. On and from the Effective Date, KCL may, if required, initiate any legal proceedings in its name in relation to KSPL in the same manner and to the same extent as would or might have been initiated by KSPL
- 11.3. After the Effective Date, the Promoters undertakes to keep harmless and keep indemnified from time to time KCL from and against any contingent liabilities and obligations relatable to KSPL including all demands, claims, suits, proceedings, and the like which have, shall or may be instituted by any person, authority, government of India, firm, company, body corporate or organization against KCL, directly relating to KSPL and / or against any financial liability/claim that may arise against KCL by virtue of transfer and vesting of KSPL into KCL under and pursuant to this Scheme.

12. DIVIDEND AND UTILISATION OF THE AVAILABLE CASH

- 12.1. Until the Effective Date, KSPL shall be entitled to declare and pay any dividends, whether interim, or final, to its shareholders in respect of the accounting period prior to the Effective Date out of its income/cash if any, lying with KSPL.
- 12.2. KSPL shall have right to utilize its income or available cash for the purpose of meeting the expenses in the ordinary course of business or for the purpose(s) specified in the Scheme.

13. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 13.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which KSPL is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of KCL, as the case may be, and may be enforced by or against KCL as fully and effectually as if, instead of KSPL, KCL had been a party thereto.
- 13.2. KCL may enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which KSPL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. KCL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of KSPL and to implement or carry out all formalities required on the part of KSPL to give effect to the provisions of this Scheme.
- 13.3. Since each and every and all of the statutory permissions, approvals, consents, sanctions, remissions, special reservations, incentives, no-objection certificates, permits, quotas,

entitlements, concessions, licenses, registrations, certificates, and other authorizations, howsoever described and in whatever form, of the KSPL shall stand transferred by the order of the High Court to the KCL, the KCL shall file the relevant intimations, if required, for the record of all of the statutory and regulatory authorities, who shall take them on file, pursuant to the vesting orders of the sanctioning High Court.

14. STAFF AND EMPLOYEES

- 14.1. On the Scheme coming into effect, all staff and employees of KSPL in service on such date shall be deemed to have become staff and employees of KCL without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with KCL shall not be less favorable than those applicable to them with reference to KSPL on the Effective Date.
- 14.2. Upon the Scheme coming into effect, the existing Provident Fund, Gratuity Fund, Superannuation Fund and/ or schemes and trusts, including employee's welfare trust, if any, created by KSPL for its employees shall be transferred to KCL. KSPL shall take all steps necessary for the transfer, where applicable, of the Provident Fund, Gratuity Fund, Superannuation Fund and/ or schemes and trusts, including employee's welfare trust, pursuant to the Scheme, to KCL. All obligations of KSPL with regard to the said fund or funds as defined in the respective trust deed and rules shall be taken over by KCL from the Effective Date to the end and intent that all rights, duties, powers and obligations of KSPL in relation to such Fund or Funds shall become those of KCL and all the rights, duties and benefits of the employees employed in KSPL under such Funds and Trusts shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of KSPL will be treated as having been continuous for the purpose of the said Fund or Funds.

15. TREATMENT OF TAXES

- 15.1. Any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as "**Tax Laws**") allocable or related to KSPL 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 to KCL. Any surplus in the provision for taxation/ duties/ levies account including advance tax and withholding tax as on the date immediately preceding the Appointed Date will also be transferred to the account of the KCL. Any refund under the Tax Laws due to KSPL consequent to the assessments made on KSPL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by KCL.
- 15.2. All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc) paid or payable by KSPL in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of KSPL and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by KSPL in respect of the profits or activities or operation of the business after the Appointed Date, the

same shall be deemed to be the corresponding item paid by KCL, and, shall, in all proceedings, be dealt with accordingly.

- 15.3. Upon the Scheme becoming effective, KCL is also expressly permitted to revise its income tax returns and other returns filed under the tax laws and to claim refunds, advance tax and withholding tax credits, etc, pursuant to the provisions of this Scheme.

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PART D - ISSUE OF SHARES AND ACCOUNTING TREATMENT

16. ISSUE OF SHARES

16.1. Upon this Scheme becoming effective and in consideration for the Amalgamation of KSPL into KCL, in terms of this Scheme, KCL shall, without any further application, act or deed, issue and allot equity shares to the Equity Shareholders of KSPL or such of their respective heirs, executors, administrators, or other legal representatives or other successors in title, as may be recognized by the Board of KCL and approved by them, and whose names appear in the Register of Members of KSPL on the Record Date, equity shares in its share capital at par (hereinafter also referred to as the "**Equity Shares on Amalgamation**"), in the following proportion:

"1 (One) fully paid up equity share of KCL to be issued and allotted to the shareholders of KSPL in proportion of their respective shareholding in KSPL for every 1 (one) fully paid up equity share held by KSPL in KCL.

Therefore 3,20,62,529 (Three Crores Twenty Lacs Sixty Two Thousand Five Hundred And Twenty Nine) fully paid up equity shares of face value of Rs.2/- (Rupees Two) each of KCL to be issued and allotted to shareholders of KSPL in proportion of their respective holding in KSPL."

16.2. The Equity Shares on Amalgamation is based on the following share capital positions of KSPL and KCL:

- 3,20,62,529 equity shares of face value of Rs.2/- each fully paid up of KCL held by KSPL;
- and
- 12,14,600 equity shares of face value of Rs. 10/- each fully paid up of KSPL.

16.3. The aforesaid ratio as referred in Clause 16.1, shall be suitably adjusted for any changes in the share capital position as mentioned above, whether by means of a bonus issue, split of shares, sub-division of shares, consolidation of shares, capital reduction, re-classification of shares or any other corporate action. All such adjustments to the Equity Shares on Amalgamation shall be deemed to be carried out as an integral part of this Scheme, and the resultant Equity Shares on Amalgamation shall be adopted in Clause 16.1 without any further act or deed, upon agreement in writing by both KSPL and KCL

16.4. The fractional entitlement, if any, to which the shareholders of KSPL may become entitled to upon issue of Equity Shares on Amalgamation pursuant to clause 16.1 or 16.3 above would be rounded off by KCL to the nearest integer. However in no event, the number of Equity Shares on Amalgamation shall exceed the total number of equity shares held by KSPL in KCL

16.5. The Equity Shares on Amalgamation to be issued and allotted pursuant to Clause 16.1 or 16.3 shall in all respects, rank pari passu with the existing equity shares of KCL, if any, for dividend and all other benefits and on all respects with effect from the date of their allotment except that, in respect of dividend that may be declared, such shares will be entitled for such dividend from the Appointed Date.

16.6. The Equity Shares on Amalgamation to be issued and allotted in terms hereof will be subject to the relevant Memorandum and Articles of Association of KCL.

- 16.7. The Equity shares on amalgamation issued pursuant to Clause 16.1 or 16.3 above shall be issued in the dematerialized form by KCL unless otherwise notified in writing by the shareholders of KSPL to KCL or on before such date as may be determined by the Board of Directors of KCL. In the event, such notice has not been received by KCL in respect of any of the member of KSPL, the equity shares on amalgamation shall be issued to such shareholder in dematerialized form provided that members of KSPL shall be required to have an account with a depository participant and shall provide details thereof and such other confirmation as may be required. It is only thereupon that KCL shall issue and directly credit the dematerialized securities account of such members of KSPL.

In the event that KCL receives the notice from any of the member of KSPL that the Equity shares on amalgamation are to be issued in certificate form or if any member has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then KCL shall issue equity shares on amalgamation in certificate form in such manner.

Such physical share certificates (if any) shall be sent by KCL to such equity shareholder of KSPL at their respective registered address, as appearing in the Register of Members maintained by KSPL as on the Record Date with respect to their respective shareholder (or in case of the 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 KCL shall not be responsible for any loss in transit.

- 16.8. KCL shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment of Equity Shares on Amalgamation to the shareholders of KSPL.
- 16.9. Equity shares on Amalgamation issued in terms of Clause 16.1 or 16.3 above shall be listed on the relevant stock exchange/s, where the existing equity shares of KCL are listed and /or admitted to trading in accordance with the applicable laws including without limitation the SEBI Circulars & SEBI Regulations. KCL shall enter into such agreements 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 Exchange(s).
- 16.10. Upon coming into effect of this Scheme and subject to the above provisions, the shareholders of KSPL shall receive new share certificates (in dematerialized form or physical form) reflecting the shares held by each member in KCL and the shares or the share certificates of KSPL in relation to the shares held by its shareholders shall, without any further application, act, instrument, deed, be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- 16.11. In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of KSPL, the Board of Directors or any committee thereof of KCL, shall be empowered in appropriate cases, even subsequent to the Record Date, to effectuate such a transfer in KSPL, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the KSPL/ KCL.

- 16.12. Upon the issue of Equity Shares on Amalgamation in terms of Clause 16.1 or 16.3 above, the provisions of Section 62 (corresponding to Section 81(1A) of the Act) read with Section 42 of the Companies Act, 2013 shall be deemed to have been complied with and such issue shall be an integral part of this Scheme.
- 16.13. The approval of this Scheme by the shareholders of KCL & KSPL under Section 391 and 394 read with Sections 100-103 of the Companies Act, 1956 or any corresponding provision of Companies Act, 2013 shall be deemed to have the approval under Section 16, 31 and other applicable provision of the act or any corresponding provision of Companies Act, 2013 and any other applicable law, including but not limited to SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 as amended and any other consents and approval required in this regard.
- 16.14. Upon the Equity Shares on Amalgamation being issued and allotted by KCL to the shareholders of KSPL, in accordance with the provisions of Clause 16.1 or 16.3 above, the investments held by KSPL in the share capital of KCL, shall, without any further application, act, deed, instrument stand cancelled. The shares held by KSPL in dematerialized form shall be extinguished, on and from such issue and allotment of Equity Shares on Amalgamation.
- 16.15. Such reduction of share capital of KCL in accordance with the provisions of Clause 16.14 above shall be effected as an integral part of the Scheme and the Order of the High Court sanctioning the Scheme shall be deemed to be an order under Sections 100-103 and any other applicable provision of the Act confirming the reduction. KCL shall not be required to add the words “and reduced” as a suffix to its name consequent upon reduction.

17. ACCOUNTING TREATMENT

- 17.1. KCL shall, upon the coming into effect of this Scheme, record the assets and liabilities of KSPL vested in it pursuant to this Scheme, at the respective book values thereof, at the close of business of the day immediately preceding the Appointed Date.
- 17.2. KCL shall credit to its share capital account in its books of account the aggregate face value of Equity Shares on Amalgamation issued by it to the shareholders of KSPL, pursuant to this Scheme.
- 17.3. Upon the coming into effect of this Scheme, any intercompany investment in the books of KSPL and KCL, representing equity shares of KSPL and/ or KCL will stand cancelled and no shares or consideration shall be issued by KCL in respect of such cancelled shares.
- 17.4. The excess/ deficit of the value of the assets over the value of the liabilities of KSPL vested in KCL pursuant to this Scheme, and as recorded in the books of account of KCL shall, after adjusting the amount recorded in Clause 17.2 and 17.3 above and ‘Expenses of Scheme’, be treated in the balance sheet of the KCL in accordance with “The Pooling of Interests” method as per applicable Accounting Standards notified by the Central Government under the Companies Act 1956/ Companies Act, 2013.
- 17.5. In case of any differences in accounting policy between KSPL and KCL, the impact of the same till the Appointed Date will be quantified and directly adjusted in profit and loss account

appearing in the balance sheet of KCL, to ensure that upon the coming into effect of this Scheme, the financial statements of KCL reflect the financial position on the basis of a consistent accounting policy.

- 17.6. It is hereby clarified that pursuant to the provisions of Clause 9, all transactions during the period between the Appointed Date and Effective Date relating to KSPL would be duly reflected in the financial statements of KCL, upon the coming into effect of this Scheme.
- 17.7. To the extent that there are inter-corporate loans or balances between KSPL and KCL, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of KCL for the reduction of any assets or liabilities, as the case may be.

18. MERGER OF AUTHORISED SHARE CAPITAL

- 18.1. Upon sanction of this Scheme, the authorised share capital of KCL, shall automatically stand increased without any further act, instrument or deed on the part of KCL, including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of KSPL aggregating to Rs. 94,10,00,000 (Rupees Ninety Four Crores Ten Lacs only) comprising of 2,70,00,000 Equity Shares of Rs.10/- each and 6,71,00,000 Preference Shares of Rs. 10/- each and the Memorandum of Association and Articles of Association of KCL (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Section 13, Section 14, and Section 61 of the Companies Act, 2013 (corresponding to Section 16, Section 31, Section 94 of the Companies Act, 1956) or any other applicable provisions of the Act, as the case may be and for this purpose the stamp duty and the fee paid on authorised share capital of KSPL shall be utilized and applied to the above referred increased authorised share capital of KCL and no payment of any extra stamp duty and/or fee shall be payable by KCL for increase in its authorised share capital to that extent.
- 18.2. If required, KCL shall take necessary steps to increase its Authorized Share Capital before the effective date so as to make it sufficient for allotment of shares to the shareholders of KSPL in consideration of the amalgamation after considering the clubbed authorized capital of KCL.
- 18.3. It is clarified that the approval of the members of KCL to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum of Association and Articles of Association of KCL as may be required under the Act
- 18.4. Clause V of the Memorandum of Association of KCL shall be suitably amended to take effect of Clause 18.1 to 18.3 as mentioned above.

19. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 5 and the continuance of proceedings by or against KCL under Clause 11 shall not affect any transaction or proceedings already concluded by KSPL on or before the date when KSPL adopts the Scheme in its Board meeting, and after the date of such adoption till the Effective Date, to the end and intent that KCL accepts

and adopts all acts, deeds and things done and executed by KSPL in respect thereto as done and executed on behalf of itself.

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PART E - MISCELLANEOUS PROVISIONS

20. APPLICATION TO THE HIGH COURT

KSPL and KCL shall, with all reasonable dispatch, make applications or petitions under Sections 391-394 read with Sections 100-103 and other applicable provisions of the Act, to the High Court or any other Appropriate Authority, for sanction of this Scheme under the provision of the law.

21. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to:

- a. The Scheme being approved by the requisite majorities in number and value of such class of persons including the respective members and /or creditors of KCL and KSPL, as prescribed under the Act and as may be directed by the High Court or any other Appropriate Authority as may be applicable;
- b. As Para (I)(A)(9) of Annexure I of the SEBI Circular is applicable to this Scheme, therefore it is provided in the Scheme that KCL will provide voting by the public shareholders through postal ballot and e voting and will disclose all material facts in the explanatory statements, to be sent to the shareholders in relation to said resolution. Further, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of this Scheme are more than the number of votes cast by the public shareholders against it. The term "Public" shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- c. The sanction of the Scheme by the High Court or any other Appropriate Authority under Sections 391-394 read with Sections 100-103 and other applicable provisions, if any of the Act in favour of KSPL and KCL;
- d. Last date of the filing by KSPL and KCL of the certified copies of the order of the High Court sanctioning the Scheme under Sections 391–394 read with Sections 100-103 of the Act with the respective jurisdictional Registrar of Companies.
- e. The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law, may be necessary for the implementation of the Scheme

22. EFFECT OF NON RECEIPT OF APPROVAL

- 22.1. In the event any of the said sanctions and approvals referred to in Clause 21 above not being obtained and/ or the Scheme not being sanctioned by the High Court or such other Appropriate Authority, if any, this Scheme shall stand revoked, cancelled and be of no effect and null and void save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law

and in such event each party shall bear their respective costs, charges and expenses in connection with the Scheme.

22.2. If any part or section of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of KSPL and KCL, affect the adoption or validity or interpretation of the other parts and/ or provisions of this Scheme. It is hereby clarified that the Board of Directors of KSPL and KCL, as the case may be, may in their absolute discretion at any time, adopt any part of this Scheme or declare the entire Scheme to be null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case KSPL and KCL shall bear its own cost or bear costs as may be mutually agreed.

22.3. The Board of Directors of KCL will have the power to resolve the differences, if any.

23. MODIFICATION OR AMENDMENT TO THE SCHEME

The Board of Directors of KSPL and KCL reserve the right to withdraw the Scheme at any time before the 'Effective Date' and may assent to any modification(s) or amendment(s) in this Scheme which the Court and/ or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme and the Board of Directors of KSPL and KCL and after the dissolution of KSPL, the Board of Directors of KCL be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or any matters concerning or connected therewith.

24. DISSOLUTION WITHOUT WINDING UP

On the Scheme becoming effective, KSPL shall be dissolved without going through the process of winding up and no person shall make assert or take any claims, demands or proceedings against a director or officer thereof in his capacity as such director or officer except in so far be necessary for enforcing the provisions of this order

25. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of KSPL and KCL arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Promoters and/or KSPL and or /its members.

FOR KAJARIA SECURITIES PRIVATE LIMITED	FOR KAJARIA CERAMICS LIMITED
AUTHORISED SIGNATORY	AUTHORISED SIGNATORY

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J. N. SHARMA & CO.

The Board of Directors
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Village Sikanderpur Ghosi,
Gurgaon, Haryana- 122001

The Board of Directors
Kajaria Securities Private Limited
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JMD Regent Plaza, Mehrauli Gurgaon Road,
Village Sikanderpur Ghosi,
Gurgaon, Haryana- 122001

Re.: Recommendation of Share Exchange Ratio for the purpose of proposed amalgamation of Kajaria Securities Private Limited with Kajaria Ceramics Limited

Dear Sirs,

We refer to our appointment for the recommendation of share exchange ratio for the proposed amalgamation of Kajaria Securities Private Limited (hereinafter referred to as "KSPL") with Kajaria Ceramics Limited (hereinafter referred to as "KCL") as on July 08, 2016 (hereinafter referred to as the "Valuation Date") under the Scheme of Arrangement (hereinafter referred to as "Scheme"). As per the terms of engagement, we are enclosing our report as part of this letter.

1. SCOPE AND PURPOSE OF THE REPORT

- 1.1. As per our understanding, the Management of KSPL and KCL are considering a proposal for amalgamation of KSPL with KCL pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions, if any, of the Companies Act, 1956 and corresponding sections of the Companies Act, 2013 (as and when such corresponding sections are notified in the Official Gazette by the Central Government).
- 1.2. Subject to necessary approvals, KSPL would amalgamate with KCL, with effect from April 01, 2016 (hereinafter referred to as the "Appointed Date") or such other date that may be fixed or approved by the High Court or any other Appropriate Authority.
- 1.3. In this connection, J.N. Sharma & Co Chartered Accountants, Delhi has been appointed to recommend a share exchange ratio for the proposed amalgamation of KSPL with KCL based on the Audited accounts of KSPL and subsequent expected events till the Appointed Date.
- 1.4. In the following paragraphs, we have summarized our recommendations of share exchange ratio together with the limitations on our scope of work.



2. BACKGROUND INFORMATION OF KSPL AND KCL

- 2.1. KCL was incorporated in 1985 and is having its registered office in Gurgaon, Haryana. The shares of KCL are listed on the Bombay Stock Exchange and the National Stock Exchange. It is engaged in business of manufacturing & trading of Ceramics, Polished and Glazed Vitrified Tiles.
- 2.2. KSPL was incorporated in 1986 and is having its registered office in Gurgaon, Haryana. As on the Valuation date, KSPL holds 3,20,62,529 equity shares of KCL constituting 40.35% of the fully paid up equity share capital of KCL.

3. RECOMMENDED RATIO

- 3.1. As indicated above, as on Valuation Date, KSPL has no other activities other than investment in securities of KCL.
- 3.2. Based on above, in the event of amalgamation of KSPL and KCL, we recommend a share exchange ratio in the following proportion :

1 (One) fully paid up equity share of KCL to be issued and allotted to the shareholders of KSPL in proportion of their respective shareholding in KSPL for every 1 (one) fully paid up equity share held by KSPL in KCL.

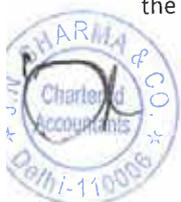
Therefore 3,20,62,529 (Three Crores Twenty Lacs Sixty Two Thousand Five Hundred And Twenty Nine) fully paid up equity shares of face value of Rs.2/- (Rupees Two) each of KCL to be issued and allotted to shareholders of KSPL in proportion of their respective holding in KSPL."

- 3.3. The above ratio is based on the following share capital positions of KSPL and KCL:
 - 3,20,62,529 equity shares of face value of Rs.2/- each fully paid up of KCL held by KSPL; and
 - 12,14,600 equity shares of face value of Rs. 10/- each fully paid up of KSPL.
- 3.4. The aforesaid ratio as referred in Clause 3.2, shall be suitably adjusted for any changes in the share capital position as mentioned above, whether by means of a bonus issue, split of shares, sub-division of shares, consolidation of shares, capital reduction, re-classification of shares or any other corporate action in such a way that for every one share held by KSPL in KCL, one share of KCL will be issued and allotted to shareholders of KSPL
- 3.5. We believe that the above ratio is fair considering that all the shareholders of KSPL will, upon amalgamation, remain ultimate beneficial owner of KCL in the amalgamated company in the same ratio (inter se) as before amalgamation.

4. SOURCES OF INFORMATION

The sources of information, which have been furnished to us by the Companies, are as under:

- Latest available audited financial statements of KSPL and KCL;
- Draft Scheme of Arrangement between KSPL and KCL under Sections 391 to 394 read with Section 100 to 103 and other applicable provisions, if any, of the Companies Act, 1956 and corresponding sections of the Companies Act, 2013 (as and when such corresponding sections are notified in the Official Gazette by the Central Government).



- Other relevant details regarding the Companies such as their history, existing shareholding pattern and other relevant information and data, including information in the public domain.

We have also obtained necessary explanation and information, which we believed were relevant to the present exercise, from the management and executives of the companies.

5. EXCLUSIONS AND LIMITATIONS

- 5.1. Our report is subject to the scope limitation detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein and in the context of the purpose for which it is made.
- 5.2. Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the companies referred to in this report. We have not investigated or otherwise verified the data provided. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the Companies and their impact on the present exercise.
- 5.3. The recommendation contained herein is not intended to represent the share exchange ratio at any time other than the Valuation Date that is specifically stated in this report.
- 5.4. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the share exchange ratio for the proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 5.5. Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed Scheme.

For J N Sharma & Co

Chartered Accountant
Partner
M.No. 088571
FRN. No. 0833C

Place: Delhi

Date: 08/07/2016



SPA Capital Advisors Ltd. (Formerly SPA Merchant Bankers Ltd.) CIN: U99999DL1999PLC102626	25, C-Block Community Centre Janak Puri, New Delhi-110 058 Tel : 011-25517371, 25515086 Fax : 011-25532644 Email : info@spacapital.com
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Submitted to

Kajaria Securities Private Limited

FAIRNESS OPINION

On valuation report provided by

J.N. Sharma & Co. (Chartered Accountants)

On

Scheme of Arrangement between

**KAJARIA SECURITIES PRIVATE LIMITED
(TRANSFEROR COMPANY)
AND**

**KAJARIA CERAMICS LIMITED
(TRANSFeree COMPANY)**

BY

M/s SPA CAPITAL ADVISORS LTD.

25, C-Block, Community Centre,

Janak Puri, New Delhi.

Tel: 011-4537585/011-45675558

Fax: 25572763

Website: www.spacapital.com

"Everything we hear is an opinion, not a fact. Everything we see is a perspective, not the truth."

July 09, 2016

To,

The Board of Directors,
Kajaria Securities Private Limited
SF-02, Second Floor,
JMD Regent Plaza,
Mehrauli Gurgaon Road,
Village Sikanderpur Ghosi,
Gurgaon, Haryana- 122001

RE: Fairness Opinion on Valuation Report provided by J.N. Sharma & Co. (Chartered Accountants) for the purpose of proposed amalgamation of Kajaria Securities Private Limited with Kajaria Ceramics Limited.

PURPOSE

We have been engaged to give fairness opinion on the report provided by J.N. Sharma & Co. (Chartered Accountants) for the purpose of proposed amalgamation of Kajaria Securities Private Limited, having its registered office at SF-02, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana-122001 (i.e. the "Transferor Company") with Kajaria Ceramics Limited, having its registered office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001, under Sections 391- 394 read with Sections 100-103 of the Companies Act, 1956.

The fairness opinion report is required to be submitted to the stock exchanges to facilitate the Companies with Regulation 11, Regulation 37 & Regulation 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015.



BACKGROUND

Kajaria Securities Private Limited (Kajaria Securities or Transferor Company):

We understand that Kajaria Securities is engaged in the business of tiles and other products of varied nature.

It also holds 3,20,62,529 equity shares in Kajaria Ceramics Limited constituting 40.35% of its paid up equity share capital.

The authorised, issued, subscribed and paid up share capital of Kajaria Securities as on March 31, 2016 as per audited financial statements is as follows:

PARTICULARS	AMOUNT (Rs)
<u>AUTHORISED CAPITAL</u>	
2,70,00,000 Equity Shares of Rs 10/- each	27,00,00,000
6,71,00,000 Preference Shares of Rs 10/- each	67,10,00,000
TOTAL	94,10,00,000
 <u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>	
12,14,600 Equity Shares of Rs. 10/- each	1,21,46,000
TOTAL	1,21,46,000

Kajaria Ceramics Limited (Kajaria Ceramics or Transferee Company):

We understand that Kajaria Ceramics is the largest manufacturer of ceramic/vitrified tiles in India. It has an annual aggregate capacity of 68.60 mn. sq. meters, distributed across nine plants - Sikandrabad in Uttar Pradesh, Gailpur & Malootana in Rajasthan, five plants in Gujarat and one at Vijayawada in Andhra Pradesh.



Kajaria's manufacturing units are equipped with cutting edge modern technology. Intense automation, robotic car application and a zero chance for human error are few reasons for Kajaria to be the number 1 in the industry.

The Equity Shares of Kajaria Ceramics are listed on BSE Limited and National Stock Exchange of India Ltd.

The authorised, issued, subscribed and paid up share capital of Kajaria Ceramics as on March 31, 2016 as per audited financial results as approved by Board of Directors on April 28, 2016 is as follows:

PARTICULARS	AMOUNT (Rs)
<u>AUTHORISED CAPITAL</u>	
12,50,00,000 Equity Shares of par value of Rs.2/- each	25,00,00,000
10,00,000 Preference Shares of par value of Rs.100/- each	10,00,00,000
 <u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>	
7,94,69,000 Equity Shares of Rs 2/- each	15,89,38,000

Subsequent to the above Balance Sheet date, vide Board meeting dated June 16, 2016 following has been approved by the Board subject to the approval of the shareholders:

- i. Sub-division of the equity shares of the Company from Rs. 2/- each fully paid up to Re. 1/- each fully paid up i.e. 7,94,69,000 equity shares of Rs. 2/- each fully paid up will be sub divided into 15,89,38,000 equity shares of Re.1/- each fully paid up.
- ii. Amendment in clause V (Capital Clause) of the Memorandum of Association of the Company.



TRANSACTION

We understand that this transaction involves amalgamation of Kajaria Securities into Kajaria Ceramics under the Scheme of Arrangement pursuant to Sections 391 and 394 read with Sections 100 - 103 of the Companies Act, 1956.

PURPOSE AND RATIONALE OF THE SCHEME

- Kajaria Securities forms part of the Promoter Group of Kajaria Ceramics. It presently holds 3,20,62,529 equity shares in Kajaria Ceramics constituting 40.35% of paid up equity share capital of Kajaria Ceramics. Pursuant to the proposed Scheme, Kajaria Securities would be ceased to form part of the Promoter Group of Kajaria Ceramics and individual promoters of Kajaria Ceramics would directly hold the equity shares in Kajaria Ceramics in the same proportion as they held through Kajaria Securities which will be dissolved without the process of winding up.
- The amalgamation of Kajaria Securities into Kajaria Ceramics would not only lead to simplification of the shareholding structure and reduction of the shareholding tiers, but also demonstrate the promoter group direct commitment to and engagement with Kajaria Ceramics.
- There would be no change in the promoter shareholding of Kajaria Ceramics. The promoters would continue to hold the same percentage of shares in Kajaria Ceramics, pre and post amalgamation of Kajaria Securities into Kajaria Ceramics.
- All costs and charges of any nature arising or incurred in connection with and implementing this Scheme shall be borne by Kajaria Securities and/ or its members.
- Further this Scheme also provides that Promoters shall indemnify Kajaria Ceramics and keep Kajaria Ceramics indemnified for any contingent liabilities and obligations including all demands, claims, suits, proceedings and the like which may be



instituted by any third party(ies) including governmental authorities on Kajaria Ceramics and are directly relatable to Kajaria Securities or which may devolve on Kajaria Ceramics on account of this amalgamation.

CONCLUSION

- Pursuant to the Scheme of Arrangement and Valuation Report provided by J.N. Sharma & Co. (Chartered Accountants);
“1 (One) fully paid up equity share of Kajaria Ceramics to be issued and allotted to the shareholders of Kajaria Securities in proportion of their respective shareholding in Kajaria Securities for every 1 (One) fully paid up equity share held by Kajaria Securities in Kajaria Ceramics.
Therefore 3,20,62,529 (Three Crores Twenty Lacs Sixty Two Thousand Five Hundred And Twenty Nine) fully paid up equity shares of face value of Rs. 2/- (Rupees Two) each of Kajaria Ceramics to be issued and allotted to shareholders of Kajaria Securities in proportion of their respective holding in Kajaria Securities.”
- Also, the aforesaid ratio shall be suitable adjusted for any changes in the share capital position of Kajaria Securities or Kajaria Ceramics, whether by means of a bonus issue, split of shares, sub-division of shares, consolidation of shares, capital reduction, re-classification of shares or any other corporate action.
- As represented by the management, the Transferor Company ie Kajaria Securities presently have no other activities other than investment in securities of Kajaria Ceramics. So the share exchange ratio pursuant to scheme as recommended by JN Sharma & Co., Chartered Accountants is fair as per our understanding as all the shareholders of Kajaria Securities will upon amalgamation remain ultimate



beneficial owner of Kajaria Ceramics in the same ratio (inter se) as before amalgamation.

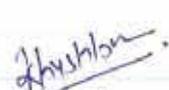
- On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the swap ratio determined is fair and reasonable to the holders of equity shares of Kajaria Securities.

Disclaimer: The Final Report has been prepared for the internal and exclusive use of the Board of Directors of Kajaria Securities Private Limited (the "Board of Directors") in support of the decisions to be taken by them. Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorised in writing by SPA Capital Advisors Limited (SPA). In preparing the Final Report, SPA has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by Kajaria Securities Private Limited. SPA has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Final Report has also been used. Therefore the Final Report is based on: (i) our interpretation of the information which Kajaria Securities Private Limited, as well as their representatives and advisers, have supplied to us to date; (ii) our understanding of the terms upon which Kajaria Securities Private Limited intends to consummate the Transaction (iii) the assumption that the Transaction will be consummated in accordance with the expected terms and within the expected time periods. The Final Report and the Opinion concern exclusively for the purpose of proposed amalgamation and do not constitute an opinion by SPA as to the absolute value of the shares of Kajaria Securities Private Limited.

For SPA Capital Advisors Limited



(Sourabh Garg)
Vice President



(Khushboo Tanwar)
Manager

KAJARIA SECURITIES PRIVATE LIMITED

REGD OFF: SF-02, SECOND FLOOR, JMD REGENT PLAZA, MEHRAULI GURGAON ROAD, VILLAGE SIKANDERPUR GHOSI,
GURGAON, HARYANA- 122001; EMAIL ID efilingregistrar@gmail.com; Ph: 0124-4081281
CIN NO: U74899HR1986PTC055720

REPORT OF THE BOARD OF DIRECTORS OF KAJARIA SECURITIES PRIVATE LIMITED EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Background:

- 1.1. At the Board meeting held on 11th July, 2016, the Board of Directors of Kajaria Securities Private Limited had unanimously approved the proposed Scheme of Arrangement between Kajaria Securities Private Limited ("KSPL") and Kajaria Ceramics Limited ("KCL") and their respective shareholders and creditors (the "Scheme").
- 1.2. That due to passage of time and to better reflect the current position, the Board of Directors of KSPL and KCL have further approved the modified Scheme of Arrangement at their respective Board Meeting dated 24th January, 2017. The modification to the Scheme includes changes in the Appointed Date from 1st April, 2016 to 31st March, 2017 (closing hours of business on 31st March, 2017) and other minor changes, including correction of typographical errors.
- 1.3. As per the provisions of Section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further, the said report has to specify share exchange ratio and special valuation difficulties, if any in the valuation.
- 1.4. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.5. The following documents were considered and taken on record at Board meeting of KSPL dated 11th July, 2016:
 - a) Draft Scheme of Arrangement
 - b) Valuation report dated 8th July, 2016 of M/s J.N. Sharma & Co., Chartered Accountant
- 1.6. The Scheme provides for the amalgamation of KSPL into KCL, consequent issue of shares by KCL to shareholders of KSPL and then, reduction of share capital of KCL.

2. Valuation

- 2.1. Based on review of the Draft Scheme of Arrangement between KSPL and KCL, Valuation Report dated 8th July, 2016 by M/s J.N. Sharma & Co., Chartered Accountants the Board of Directors of KSPL believes that the following exchange ratio is fair and reasonable:

"1 (One) fully paid up equity share of KCL to be issued and allotted to the shareholders of KSPL in proportion of their respective shareholding in KSPL for every 1 (one) fully paid up equity share held by KSPL in KCL.

Therefore 3,20,62,529 (Three Crores Twenty Lacs Sixty Two Thousand Five Hundred And Twenty Nine) fully paid up equity shares of face value of Rs.2/- (Rupees Two) each of KCL to be issued and allotted to shareholders of KSPL in proportion of their respective holding in KSPL."
- 2.2. The above share exchange ratio is based on the following share capital positions of KSPL and KCL as on 11th July, 2016:
 - 3,20,62,529 equity shares of face value of Rs.2/- each fully paid up of KCL held by KSPL; and
 - 12,14,600 equity shares of face value of Rs. 10/- each fully paid up of KSPL.

KAJARIA SECURITIES PRIVATE LIMITED

REGD OFF: SF-02, SECOND FLOOR, JMD REGENT PLAZA, MEHRAULI GURGAON ROAD, VILLAGE SIKANDERPUR GHOSI,
GURGAON, HARYANA- 122001; EMAIL ID efilingregistrar@gmail.com; Ph: 0124-4081281
CIN NO: U74899HR1986PTC055720

2.3. The aforesaid ratio shall be suitably adjusted for any changes in the share capital position as mentioned above, whether by means of a bonus issue, split of shares, sub-division of shares, consolidation of shares, capital reduction, re-classification of shares or any other corporate action.

2.4. No special valuation difficulties were reported by the valuer.

3. Impact on equity shareholders, key managerial personnel, promoters and non-promoter shareholders of KSPL

Upon the Scheme becoming effective, the equity shares held by KSPL in KCL will be cancelled and equal number of equity shares will allotted to equity shareholders of KSPL, in terms of aforesaid ratio. So, there is no effect on equity shareholders of KSPL (i.e. promoters and non-promoters shareholders).

Out of total 3 Directors of KSPL, 2 directors of KSPL are already directors in KCL. Company doesn't have any key managerial personnel. So, there is no significant impact on key managerial personnel and directors of KSPL.

For Kajaria Securities Private Limited

Chetan Kajaria
Director
DIN: 00273928

Date: 15th May, 2017



REPORT OF THE BOARD OF DIRECTORS OF KAJARIA CERAMICS LIMITED EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Background

- 1.1. At the Board meeting held on 11th July, 2016, the Board of Directors of Kajaria Ceramics Limited had unanimously approved the proposed Scheme of Arrangement between Kajaria Securities Private Limited ("KSPL") and Kajaria Ceramics Limited ("KCL") and their respective shareholders and creditors (the "Scheme").
- 1.2. That due to passage of time and to better reflect the current position, the Board of Directors of KSPL and KCL have further approved the modified Scheme of Arrangement at their respective Board Meeting dated 24th January, 2017. The modification to the Scheme includes changes in the Appointed Date from 1st April, 2016 to 31st March, 2017 (closing hours of business on 31st March, 2017) and other minor changes, including correction of typographical errors.
- 1.3. As per the provisions of Section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice of the meetings of shareholders and creditors. Further, the said report has to specify share exchange ratio and special valuation difficulties, if any in the valuation.
- 1.4. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.5. The following documents were considered and taken on record at Board meeting of KCL dated 11th July, 2016:
 - a) Draft Scheme of Arrangement
 - b) Valuation report dated 8th July, 2016 of M/s J.N. Sharma & Co., Chartered Accountant
 - c) Fairness Opinion dated 9th July, 2016 issued by SPA Capital Advisors Limited, Independent Category- 1 Merchant Banker on valuation report prepared by M/s J.N. Sharma & Co., Chartered Accountant
 - d) Report of the Audit Committee recommending the Draft Scheme
- 1.6. The Scheme provides for the amalgamation of KSPL into KCL, consequent issue of shares by KCL to shareholders of KSPL and then, reduction of share capital of KCL.

2. Valuation

- 2.1. Based on review of the Draft Scheme of Arrangement between KSPL and KCL, Valuation Report dated 8th July, 2016 by M/s J.N. Sharma & Co., Chartered Accountants and Fairness Opinion dated 9th July, 2016 issued by SPA Capital Advisors Limited, Independent Category- 1 Merchant Banker, the Board of Directors of KCL believes that the following exchange ratio is fair and reasonable:

"1 (One) fully paid up equity share of KCL to be issued and allotted to the shareholders of KSPL in proportion of their respective shareholding in KSPL for every 1 (one) fully paid up equity share held by KSPL in KCL.

Therefore 3,20,62,529 (Three Crores Twenty Lacs Sixty Two Thousand Five Hundred And Twenty Nine) fully paid up equity shares of face value of Rs.2/- (Rupees Two) each of KCL to be issued and allotted to shareholders of KSPL in proportion of their respective holding in KSPL."

- 2.2. The above share exchange ratio is based on the following share capital positions of KSPL and KCL as on 11th July, 2016:

Kajaria Ceramics Limited

Corporate Office : J1/B1 (Extn.), Mohan Co - op Industrial Estate, Mathura Road, New Delhi - 110044, Ph.: +91-11-26946409 | Fax: +91-11- 26946407
 Regd Office: SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon-122001, Haryana, Ph.: +91-124-4081281
 CIN No. : L26924HR1985PLC056150, E-mail: info@kajariaceramics.com | Web: www.kajariaceramics.com



- 3,20,62,529 equity shares of face value of Rs.2/- each fully paid up of KCL held by KSPL; and
- 12,14,600 equity shares of face value of Rs. 10/- each fully paid up of KSPL.

2.3. The aforesaid ratio shall be suitably adjusted for any changes in the share capital position as mentioned above, whether by means of a bonus issue, split of shares, sub-division of shares, consolidation of shares, capital reduction, re-classification of shares or any other corporate action.

2.4. No special valuation difficulties were reported by the valuer.

3. Impact on equity shareholders, key managerial personnel, promoters and non-promoter shareholders of KCL

Upon the Scheme becoming effective, the equity shares held by KSPL in KCL will be cancelled and equal number of equity shares will allotted to equity shareholders of KSPL, in terms of aforesaid ratio. Therefore, there will be no change in collective promoter shareholding of KCL. So, there is no effect on equity shareholders of KCL (i.e. promoters and non-promoters shareholders).

There is no impact on key managerial personnel and directors of KCL.

For Kajaria Ceramics Limited

Ashok Kajaria
Chairman & Managing Director
DIN: 00273877

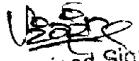
Date: 15th May, 2017

Kajaria Ceramics Limited

Corporate Office : J1/B1 (Extn.), Mohan Co - op Industrial Estate, Mathura Road, New Delhi - 110044, Ph.: +91-11-26946409 | Fax: +91-11- 26946407
Regd Office: SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon-122001, Haryana, Ph.: +91-124-4081281
CIN No. : L26924HR1985PLC056150, E-mail: info@kajariaceramics.com | Web: www.kajariaceramics.com

KAJARIA SECURITIES PVT LTD**BALANCE SHEET AS AT 31ST DECEMBER 2016**

PARTICULARS	Note	AS AT 31.12.2016	AS AT 31.03.2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,21,46,000	1,21,46,000
Reserves and surplus	3	66,61,59,275	50,81,15,689
		<u>67,83,05,275</u>	<u>52,02,61,689</u>
Current liabilities			
Trade payables	4	0	46,000
Other current liabilities	5	14,276	0
		<u>14,276</u>	<u>46,000</u>
TOTAL		67,83,19,551	52,03,07,689
ASSETS			
Non-current assets			
Non-current investments	6	67,41,08,112	52,03,07,689
		<u>67,41,08,112</u>	<u>52,03,07,689</u>
Current assets			
Cash and Bank Balance	7	42,11,439	0
		<u>42,11,439</u>	<u>0</u>
TOTAL		67,83,19,551	52,03,07,689

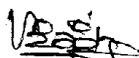
For Kajaria Securities Pvt. Ltd.

 Authorised Signatory

KAJARIA SECURITIES PVT LTD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR PERIOD ON 31ST DECEMBER 2016

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.12.2016	FOR THE YEAR ENDED 31.03.2016
Revenue from operations			
Other Operating Revenue	8	0	50,000
Other Income	9	16,03,12,645	12,91,05,080
Total Revenue		16,03,12,645	12,91,55,080
Expenses:			
Salaries & Other Expenses		0	60,718
Administration & other expenses	10	22,69,059	79,34,502
Loss on sale of Unquoted share		0	3,77,368
Total expenses		22,69,059	83,72,588
Profit before exceptional and extraordinary items & tax		15,80,43,586	12,07,82,492
Tax expense:			
Income Tax Adjustments of earlier years		0	-74,971
Deferred tax		0	-7,76,918
Profit for the year from continuing operation		15,80,43,586	11,99,30,603
Earnings per Share (Basic & Diluted)		130.12	98.74

For Kajara Securities Pvt. Ltd.


Authorised Signatory

KAJARIA SECURITIES PVT LTD

CASH FLOW STATEMENT FOR Y.E. 31.12.2016

	31.12.2016	31.03.2016
A. <u>Cash Flow from Operating Activities</u>		
Net Profit before tax and extra ordinary items	15,80,43,586	11,99,30,603
<u>Adjustment for :</u>		
Depreciation	0	0
Profit/Loss on Sale of Fixed Assets	0	0
Interest Received	0	0
Interest Paid	0	0
Dividend Received	16,03,12,645	12,85,70,116
	-22,69,059	-86,39,513
Operating Profit before Working Capital Facilities		
<u>Adjustment for :</u>		
Trade & Other Receivable	0.00	-16,13,188
Inventories	0.00	0
Trade Payable	-31,724	-41,18,483
	-23,00,783	-1,43,71,184
Cash generated from operation	-23,00,783	-1,43,71,184
Interest Paid	0	0
Tax Paid	0	0
Dividend Paid	0	0
	0	0
Net Cash Flow from operating activities		
B. <u>Cash Flow From Investing activities</u>		
Purchase of investments	-15,38,00,423	-10,45,73,043
Sale of Fixed Assets	0	0
Interest Received	0	0
Dividend Received	16,03,12,645	12,85,70,116
	65,12,222	2,39,97,073
Net Cash used in investing activities	42,11,439	96,25,889

For Kajarla Securities Pvt. Ltd.

 Authorised Signatory

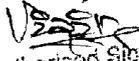
KAJARIA SECURITIES PRIVATE LIMITED

C. Cash Flow from Financing Activities

Proceed from Share Capital	0	0
Proceed from Share Warrants	0	0
Proceed from Share Application Money	0	0
Impact on assets and liabilities on merger/demerger *	0	98,70,461
Repayment of Borrowings (Net)	0	0
Proceeds from Borrowings (Net)	0	0
Net Cash used in financing activities	0	98,70,461
Cash Inflow	42,11,439	2,44,572
Cash & Cash equivalent Opening	0.00	2,44,572
Cash & Cash equivalent Closing	42,11,439	0

- 1 Figures in brackets indicate cash outflow.
- 2 Previous year figures have been regrouped/reclassified to confirm to current year's classification.
- 3 *Cash flow in different heads include movement of cash and cash equivalents in amalgamating companies. Impact other than such items is shown separately in cash flow from financing activities.

This is the cash flow statement referred to in our report of even date.

For Kajaria Securities Pvt. Ltd.

 Authorised Signatory

KAJARIA SECURITIES PVT LTD

PARTICULARS	AS AT 31.12.2016	AS AT 31.03.2016
-------------	------------------	------------------

Note No. 2 to the Financial Statements

SHARE CAPITAL

AUTHORISED

Equity Share Capital

2,70,00,000 shares of par value of Rs.10/- each (Previous year 2,70,00,000 shares of par value of Rs.10/- each) 27,00,00,000 27,00,00,000

Preference Share Capital

6,71,00,000 shares of par value of Rs.10/- each (Previous year 6,71,00,000 shares of par value of Rs. 10/- each) 67,10,00,000 67,10,00,000

94,10,00,000	94,10,00,000
---------------------	---------------------

ISSUED, SUBSCRIBED AND FULLY PAID-UP

Equity Share Capital

1214600 shares of par value of Rs.10/- each (Previous year 345000 shares of par value of Rs.10/- each) 1,21,46,000 34,50,000

Equity Share Capital Suspense Account 0 86,96,000

1,21,46,000	1,21,46,000
--------------------	--------------------

GRAND TOTAL

- a) During the year, the company has not issued/bought back Equity shares. Following is the reconciliation of number of shares outstanding as at the beginning of the year and end of the year

PARTICULARS	AS AT 31.12.2016	AS AT 31.03.2016
-------------	------------------	------------------

Number of shares outstanding as at the beginning of the year 3,45,000 3,45,000

Number of shares issued during the year * 8,69,600 0

Number of shares outstanding as at the closing of the year 12,14,600 3,45,000

* Out of Equity shares Suspense Account

- b) The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.
- c) There are no holding or subsidiary companies of the company.
- d) Following share holders held more than 5% shares in the company as at the end of the year:

Name of share holder	No. of Shares Held (% Shares Held)	No. of Shares Held (% Shares Held)
Mr. A K Kajaria	268700 (22.12)	109000 (31.59)
A K Kajaria - HUF	379000 (31.20)	96000 (27.83)
Mr. Chetan Kajaria	165000 (13.58)	49000 (14.20)
Mr. Rishi Kajaria	156400 (12.88)	49000 (14.20)
Mrs. V.D.Kajaria	205500 (16.92)	42000 (12.17)
Mrs. Rasika Kajaria	40000 (3.29)	Nil

- e) The company has not issued shares for a consideration other than cash or bonus shares during the immediately preceding 5 years.

For Kajara Securities Pvt. Ltd.


Authorised Signatory

KAJARIA SECURITIES PVT LTD

PARTICULARS	AS AT 31.12.2016	AS AT 31.03.2016
-------------	------------------	------------------

Note No. 3 to the Financial Statements

RESERVES AND SURPLUS

Capital Reserve

Created on Amalgamation

	38,81,84,824	38,81,84,824
	38,81,84,824	38,81,84,824

General Reserve: As per last balance sheet

0 9,37,77,618

Less Transferred to Surplus

0 -9,37,77,618

0 0

Surplus

As per last balance sheet

11,99,30,865 13,19,50,393

Add: Transferred from general reserve (Including amount related to merged companies)

0 44,28,98,351

Add: Profit for the year from Statement of Profit & Loss

15,80,43,586 11,99,30,603

Less: Issue of Bonus Preference share by Capitalisation of Reserves

0 -66,86,26,100

27,79,74,451 11,99,30,865

Total

66,61,59,275	50,81,15,689
---------------------	---------------------

Note No. 4 to the Financial Statements

TRADE PAYABLES

For others

0 46,000

Total

0	46,000
----------	---------------

Note No.5 to the Financial Statements

OTHER CURRENT LIABILITIES

Other liabilities*

14,276 0

TOTAL

14,276	0
---------------	----------

* It includes amount payable towards statutory dues.

14,276 0

Note No. 6 to the Financial Statements

PARTICULARS			AS AT 31.12.2016	AS AT 31.03.2016
NON CURRENT INVESTMENTS	Number of shares/bonds/ securities Current Year/ (Previous Year)	Face value share/bond/ security Current Year/ (Previous Year) (Rs.)		

Other Non-Trade

A Equity Instruments (fully paid up- unless otherwise stated)

Quoted, in related party

(i) Kajaria Ceramics Ltd	6,43,65,138 (32062529)	6,43,65,138 (64125058)	67,41,08,112	52,03,07,689
			67,41,08,112	52,03,07,689

Total

		67,41,08,112	52,03,07,689
--	--	--------------	--------------

Quoted Investments

Book Value	67,41,08,112	52,03,07,689
Market Value	29,94,90,98,711	61,65,21,47,433

KAJARIA SECURITIES PVT LTD

PARTICULARS	AS AT 31.12.2016	AS AT 31.03.2016
-------------	------------------	------------------

Note No. 7 to the Financial Statements

CASH & BANK BALANCES

CASH & CASH EQUIVALENTS

Balances with banks	42,11,439	0
Total	42,11,439	0

Note No. 8 to the Financial Statements

OTHER OPERATING REVENUE

Other Income from Project	0	50,000
	0	50,000

Note No. 9 to the Financial Statements

OTHER INCOME

Dividend		
Non current investments	16,03,12,645	12,85,70,116
Profit on sale of investment	0	5,34,964
	16,03,12,645	12,91,05,080

Note No. 10 to the Financial Statements

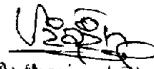
ADMINISTRATION & OTHER EXPENSES

Travelling & Conveyance expenses	0	9,650
Payment to auditors		
Audit fee	0	46,000
Other Services	0	1,23,050
Rates & Taxes	0	1,000
Legal & Professional charges	14,52,091	5,41,325
Printing and stationery	0	2,870
Bank charges	288	340
Advertisement Expenses	96,732	1,06,425
Miscellaneous expenses	6,19,948	70,74,782
Security Transaction Tax	0	23,228
Donation	1,00,000	0
Demat Charges	0	5,832
TOTAL	22,69,059	79,34,502

KAJARIA SECURITIES PRIVATE LIMITED

DESCRIPTION	AS AT 31.12.2016	AS AT 31.03.2016
<u>SUNDRY CREDITORS</u>		
Audit Fee Payable	0	46,000
	0	46,000
<u>OTHER LIABILITIES</u>		
TDS Payable	14,276	0
	14,276	0
<u>BANK BALANCES</u>		
AXIS Bank	42,11,439	0
HDFC Bank	0	0
	42,11,439	0
<u>Dividend Received</u>		
Kajaria Ceramics Ltd	16,03,12,645	12,82,50,116
Bank of Baroda	0	3,20,000
	16,03,12,645	12,85,70,116
<u>MISCELLANEOUS EXPENSES</u>		
Filing Fee	6,19,948	50,56,898
Misc Expenses	0	15,500
Sundry Balance Written Off	0	20,02,384
	6,19,948	70,74,782

For Kajaria Securities Pvt. Ltd.


 Authorized Signatory



O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS

Phone : 2 6 4 3 6 1 9 0
2 6 4 1 2 9 3 9
2 6 2 3 9 9 1 3
Fax : 011-26239912
E-mail : admin@opbco.in
Website : www.opbco.in

8/12, KALKAJI EXTENSION
NEW DELHI - 110019

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE BOARD OF DIRECTORS OF KAJARIA CERAMICS LIMITED

We have reviewed the accompanying statement of unaudited Standalone Financial Results of **M/s Kajaria Ceramics Limited** ("the company") for the quarter and nine months ended 31st December, 2016 attached herewith ("the statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This statement is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.

We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Accounting Standards i.e., Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For O.P. BAGLA & CO.
CHARTERED ACCOUNTANTS**

**(ATUL BAGLA)
PARTNER
M.No. 091885**

Firm Regn. No. 000018N

**PLACE : NEW DELHI
DATED : 24-01-2017**

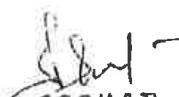


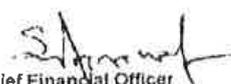
For Kajaria Ceramics Ltd.

Authorised Signatory

Kajaria Ceramics Limited
Balance Sheet (Provisional) as at 31st December 2016
(Based on Ind AS)

Particulars	Notes Reference	As At	As At
		31-Dec-16	31-Mar-16
		Amt (Rs.)	Amt (Rs.)
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1A	6,45,98,27,665	6,60,62,61,022
(b) Capital work-in-progress	1B	54,80,85,922	5,80,85,036
(c) Investment Property			
(e) Intangible Assets	1C	2,65,41,092	1,99,18,672
(d) Financial Assets			
(i) Non-current investments	2	1,08,88,91,721	1,08,88,91,721
(ii) Long-term loans and advances	3	1,29,37,22,310	1,49,61,51,589
(iii) Others	3A		
(e) Other non-current assets	4	2,05,98,499	3,29,11,971
(2) Current assets			
(a) Inventories	5	2,55,20,13,215	2,19,98,62,856
(b) Financial Assets			
(i) Trade and other receivables	6	2,49,12,02,877	2,52,67,23,965
(ii) Cash and cash equivalents	7	72,43,14,505	4,80,67,565
(iii) Short-term loans and advances	8	8,45,81,016	11,45,29,487
(iv) Other financial assets	8A	2,08,58,990	23,99,271
(c) Other current assets	9	44,64,05,519	40,94,99,650
TOTAL		15,75,70,43,331	14,59,73,02,784
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	10A	15,89,38,000	15,89,18,000
(b) Other Equity	10B	10,96,44,91,102	9,43,09,79,810
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Long-term borrowings	11	2,63,50,634	2,70,37,168
(ii) Other financial liabilities	12		
(b) Long-term provisions	13	9,16,98,934	9,30,57,950
(c) Deferred tax liabilities (Net)	14	90,25,38,549	81,68,03,059
(d) Other non-current liabilities	15		
(4) Current liabilities			
(a) Financial Liabilities			
(i) Short Term Borrowings	16	1,14,21,059	39,60,56,791
(ii) Trade and other payables	17	1,82,43,75,616	2,31,25,95,682
(iii) Other financial liabilities- current	18	50,05,52,795	45,78,98,126
(b) Other current liabilities	19	1,14,13,64,571	70,03,35,843
(c) Short-term provisions	20 a	10,61,55,463	8,66,63,587
(d) Liabilities for current tax (net)	20 b	2,91,56,606	11,69,36,769
TOTAL		15,75,70,43,331	14,59,73,02,784


COO (A & T)
and Co. Secretary


Chief Financial Officer

Kajaria Ceramics Limited

Statement of Profit & Loss (Provisional) for the Period Ended 31-Dec-2016

(Based on Ind AS)

Particulars	Notes Reference	PERIOD ENDED	YEAR ENDED
		31-Dec-16 Amt (Rs.)	31-Mar-16 Amt (Rs.)
Continuing Operations			
I Revenue from operations	21	19,61,93,15,881	20,09,42,97,517
II Other Income	22	17,98,43,505	25,81,50,345
III Total Revenue (I + II)		19,79,91,59,386	26,35,24,47,862
IV EXPENSES			
(a) Cost of materials consumed	23	2,98,77,77,132	3,45,04,04,021
(b) Purchases of finished, semi-finished and other products		6,77,04,82,406	10,75,76,50,548
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	24	(24,32,87,213)	(8,59,49,473)
(d) Excise duty on sale of goods	24A	1,38,15,95,243	1,66,49,54,117
(e) Employee benefit expense	25	1,67,45,15,448	1,90,38,06,929
(f) Finance costs	26	2,91,16,861	6,72,08,907
(g) Depreciation and amortisation expense	26A	39,58,24,454	47,19,86,805
(h) Impairment expenses/losses		-	-
(i) Other expenses	27	3,80,47,13,893	4,97,39,47,626
(j) Expenditure capitalized		-	-
Total Expenses (IV)		16,80,07,58,223	22,79,91,19,542
V Share of profit / (loss) of joint ventures and associates		-	-
-1 Share of profit / (loss) of joint ventures and associated		-	-
VI Profit/(loss) before exceptional items and tax (III - IV + V)		2,99,84,01,164	3,55,12,28,320
Exceptional Items		-	(3,59,89,697)
VII Profit/(loss) before and tax from continuing operations		2,99,84,01,164	3,53,62,41,623
VIII Tax Expense		-	-
-1 Current tax		91,50,00,000	85,96,00,000
-2 Adjustment of tax relating to earlier periods		-	(12,07,347)
-3 Deferred tax		8,57,35,491	12,28,06,306
Total tax expense		1,00,07,35,491	1,17,15,98,959
IX Profit/(loss) after tax from continuing operations (VI - VII)		1,99,76,65,673	2,36,66,42,664
Profit/(loss) after tax from discontinued operations		-	-
X Profit/(loss) after tax from discontinued operations		-	-
XI Profit/(loss) for the period (VIII + IX)		1,99,76,65,673	2,36,66,42,664
XII Profit/(Loss) from continuing operations for the period attributable to:			
Owners of the Company		1,99,76,65,673	2,36,66,42,664
Non controlling interests		-	-
XIII Profit/(Loss) from discontinued operations for the period attributable to:			
Owners of the Company		-	-
Non controlling interests		-	(12,34,252)
XIV Other comprehensive income		-	-
XV Total comprehensive income for the period (XII + XIII)		1,99,76,65,673	2,36,34,08,407


C.O. (A & T)
and Co. Secretary


Chief Financial Officer

Kajaria Ceramics Limited

Notes forming part of the financial statements as at 31 December 2016

0

	As at 31 Dec 2016 Amt (Rs.)	As at 31-Mar-16 Amt (Rs.)
PARTICULARS		
Note 1A: Property, Plant and Equipment		
Property, Plant and Equipment	6,45,98,27,665	6,60,62,61,022
	6,45,98,27,665	6,60,62,61,022
Note 1B: Capital work-in-process		
Capital work-in-process	54,80,85,922	5,80,85,036
	54,80,85,922	5,80,85,036
Note 1C: Intangible assets		
Computer software	2,65,41,092	1,99,18,672
	2,65,41,092	1,99,18,672
Note 2: Non-Current Investments		
	No. of Shares	
Soriso Ceramic Pvt Ltd	15,30,000 (1530000)	5,61,96,563
Jaxx Vitrified Pvt. Ltd.	91,19,500 (9119500)	24,75,44,138
Vennur Ceramics Ltd	76,50,000 (76,50,000)	13,65,00,000
Cosa Ceramics Pvt Ltd.	46,42,040 (4642040)	11,80,51,000
Florea Ceramics Pvt Ltd.	5,10,000 (NIL)	5,10,00,000
Kajaria Bathware Pvt Ltd.	25,00,000 (1500000)	40,00,00,000
Taurus Tiles Pvt. Ltd	81,60,000 (7050800)	8,16,00,000
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instrument	1,08,88,91,721	1,88,88,91,721

PARTICULARS	As at 31 Dec 2016	As at 31-Mar-16
	Amt (Rs.)	Amt (Rs.)
Note 3: Long-term loans and advances		
Security Deposits		
Unsecured, considered good-long term Security Deposits	8,11,24,028	6,91,72,776
Less: Provision for doubtful deposits	-	-
Deferred lease expense - Non current	2,76,20,198	2,35,02,726
Loans and advances to related parties		
Unsecured, considered good-Loans and advances to related parties	1,18,49,78,084	1,40,34,76,087
Less: Provision for doubtful loans and advances	-	-
	1,29,37,22,310	1,49,61,51,589
Note 3A: Other (financial assets)		
	-	-
Note 4: Other non-current assets		
Capital Advances	2,05,98,499	3,29,11,971
	2,05,98,499	3,29,11,971
Note 5: Inventories		
Raw Materials and components	39,87,77,808	31,89,48,489
Work-in-progress	5,27,49,815	7,23,94,124
Finished Goods	1,54,18,22,019	1,29,13,79,560
Stock-in-trade	19,94,45,284	18,69,56,219
Stores and Spares	35,92,18,289	33,01,84,504
	2,55,20,13,215	2,19,98,62,896
Note 6: Trade and other receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good-Trade receivables	2,45,52,86,951	2,48,48,08,040
Unsecured, considered good	2,17,87,445	2,17,87,445
Unsecured, considered doubtful	2,36,35,076	2,36,35,076
Less: Provision for doubtful debts	(95,06,595)	(95,06,595)
	2,49,12,02,877	2,52,07,23,965

PARTICULARS	As at	As at
	31 Dec 2016	31-Mar-16
	Amt (Rs.)	Amt (Rs.)
Note 7: Cash and cash equivalents		
Balances with banks		
In current accounts	70,09,64,202	2,77,09,064
in Unpaid Dividend A/c	2,04,55,955	1,23,29,080
Cash on hand	28,41,348	61,89,730
Other bank balances		
Balance held as Margin money or security against borrowings, guarantees and other commitments	50,000	18,39,631
	72,43,14,505	4,80,67,505
Note 8: Short term loans and advances		
Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good-Short term Loans and advances	3,80,231	5,91,867
Other Loans and advances		
Unsecured, considered good	8,42,00,786	11,39,37,520
	8,45,81,016	11,45,29,487
Note 8A: Other financial assets		
Interest accrued on deposits	2,08,58,990	23,99,271
	2,08,58,990	23,99,271
Note 9: (Other current assets		
Prepayments (advance to S. creditors)	25,35,44,546	15,47,19,987
A) Prepaid expenses - Unsecured considered good		
b) Prepaid expenses	3,46,56,960	2,25,21,305
B) Others		
(i) Insurance claims	2,21,255	36,31,716
Export Benefit Receivable	17,84,664	12,07,451
C) Balances with government authorities		
a) CENVAT Credit Receivable	5,60,88,246	14,97,70,446
b) VAT Credit receivable	5,17,57,901	7,39,88,392
c) Service tax credit receivable	4,43,18,058	4,96,24,464
d) Advance tax	40,33,889	40,33,889
	44,64,05,519	40,94,99,650

PARTICULARS	As at 31 Dec 2016	As at 31-Mar-16
	Amt.(Rs.)	Amt.(Rs.)
Note 10A: Equity Share Capital		
Authorised shares 250,000,000 (125,000,000 of Rs. 2/- each) Equity Shares of par value of Rs. 1/- each	25,00,00,000	25,00,00,000
10,00,000 (10,00,000) Preference of Shares of par value of Rs. 100/- each	10,00,00,000	10,00,00,000
Subscribed and fully paid up <i>Issued, subscribed and fully paid-up shares (No)</i> Issued, Subscribed & Paid up 150,938,000 (Previous year 79,469,000) Equity Shares of par value of Rs. 1/- each (PY Rs.2/- each) fully paid up	15,89,38,000	15,89,38,000
	15,89,38,000	15,89,38,000
The company has only one class of equity share having face value of Rs 1/- per share. The holder of the equity shares is entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing general meeting. The holder of share is entitled to voting rights proportionate to their share holding at the meetings of shareholders.		
Note 10B: Other Equity		
b) Reserves and Surplus		
Retained earnings	7,28,91,40,727	5,28,83,09,914
General Reserve	1,97,23,41,911	2,45,37,43,544
Securities Premium Reserve	1,63,05,79,500	1,63,05,79,500
Employee Stock Option Scheme	2,24,28,963	83,46,852
Capital Redemption Reserve	5,00,00,000	5,00,00,000
	10,96,44,91,102	9,43,09,79,810
Note 11: Long Term Borrowings		
Term loan from Banks		27,94,027
Term loan From Financial Institutions & Others	2,63,50,634	2,42,43,141
	2,63,50,634	2,70,37,168
Note:-		
1. Interest Free Term loan from a state financial institution is secured against first charge on part of factory land and building of the company at Sikandrabad, Uttar Pradesh. The loan is repayable in one instalment after seven years from the date of disbursement.		
2 There is no default in repayment of principle or interest on any of the loans during the year.		
Note 12: Other financial liabilities		

PARTICULARS	As at	As at
	31 Dec 2016	31-Mar-16
	Amt (Rs.)	Amt (Rs.)
Note 13: Long term Provisions		
Provisions for employee benefits:		
Gratuity	9,16,98,934	9,30,57,950
	9,16,98,934	9,30,57,950
Note 14 : Deferred tax asset/liabilities (net)		
(i) Deferred tax assets(net)	90,25,38,549	81,68,03,059
	90,25,38,549	81,68,03,059
Note 15: Other non-current liabilities		
Note 16: Short term borrowings from banks (WCDL)	1,14,21,059	39,60,56,791
	1,14,21,059	39,60,56,791
Working Capital Facilities from Banks are secured by 1st charge on inventories and book debts and second charge on immovable and movable assets of the Company (at its factories at Sikandrabad, U.P. and Gailpur, Rajasthan) ranking pari passu amongst the Banks and further guaranteed by the Managing Director of the Company. The rate of interest is variable and is linked to the base rate. There is no default in repayment of principle and payment of interest of aforesaid loans.		
Note 17: Trade and other payables		
Trade payables	1,33,58,14,581	1,21,07,06,469
Compensation payable	14,21,91,165	12,35,39,303
Acceptances	34,63,69,870	97,83,29,909
	1,82,43,75,616	2,31,25,95,682
Note 18: Other financial liabilities (Current)		
Current maturities of long-term debt	44,04,237	93,24,556
Unclaimed dividends	2,04,55,955	1,23,29,080
Interest bearing deposits from customers	12,64,21,935	9,79,48,555
Capital creditors	27,33,19,809	27,35,63,629
Retention Money	1,46,92,171	1,28,94,557
Lease deposit - short term	6,12,58,689	5,18,37,749
	50,05,52,796	45,78,98,126
Note 19: Other current liabilities		
Advance from customers	17,35,19,260	9,41,86,300
Statutory Remittances	54,55,42,445	40,59,49,628
Creditors for Expenses	16,61,76,455	1,37,20,971
Outstanding liabilities	25,61,76,413	18,64,78,944
	1,14,13,64,571	70,03,35,843

PARTICULARS	As at 31 Dec 2016	As at 31-Mar-16
	Ami (Rs.)	Ami (Rs.)
Note 20: Short term provisions		
A) Provision for employee benefits		
i) Gratuity	67,22,920	67,22,920
ii) Leave Encashment	9,94,32,543	7,99,40,667
	10,61,55,463	8,66,63,587
B) Others		
Provision for Tax (Net of advance tax & TDS)	2,91,56,606	11,69,36,769
	13,53,12,069	20,36,00,356

PARTICULARS	Period Ended	Year Ended
	31 Dec 2016	31-Mar-16
	Amt.(Rs.)	Amt.(Rs.)
Note 21: Revenue from operations		
Sale of Products		
Tiles	19,59,05,93,398	26,06,38,79,772
Power	3,04,99,316	2,60,41,127
Less : Inter division sales of power	(1,83,75,263)	(1,65,12,178)
Total sale of products	19,60,27,17,451	26,07,34,08,721
Other operating revenue		
Sale of scrap	1,37,05,087	1,80,02,982
Miscellaneous Income	-	-
Rent Received	26,48,819	28,85,814
Sundry Balances Written Off	2,44,524	-
Handling charges	-	-
Total Other Operating revenue	1,65,98,430	2,08,88,796
Total	19,61,93,15,881	26,09,42,97,517
Note 22: Other Income		
OTHER INCOME		
Interest Income	12,00,80,026	17,44,38,829
Rent Received	9,00,000	14,00,000
Miscellaneous Income	66,92,929	3,21,60,704
Dividend Income	91,80,000	-
Export Incentives received	48,15,725	95,63,285
VAT Subsidy	2,88,51,949	4,05,87,527
Net Gain in foreign currency transactions & translations	93,22,876	-
Total	17,98,43,505	25,81,50,345
Note 23 Cost of raw material consumed		
COST OF MATERIAL CONSUMED		
Raw Material & Packing Material Consumed		
Body Material	95,97,34,010	1,42,23,60,899
Glaze, Frits And Chemicals	1,31,73,40,598	1,31,73,40,598
Packing Material	71,07,02,524	71,07,02,524
Total	2,98,77,77,132	3,45,04,04,021
Note 24: Increase/ Decrease in Inventories of finished goods, work-in-progress and traded goods		
Inventories at the end of the year		
Work-in-process	5,27,49,815	7,23,94,174
Finished Goods	1,54,18,22,019	1,29,13,79,500
Stock In Trade	19,94,45,284	18,69,56,219
Total Inventories at the end of the year	1,79,40,17,118	1,55,07,29,903
Finished Goods used for Fixed Assets 'B'		
		24,91,407
Inventories at the beginning of the year		
Work-in process	7,23,94,124	4,00,18,923
Finished Goods	1,29,13,79,500	1,29,77,67,977
Stock in Trade	18,69,56,219	14,54,90,000
Total Inventories at the beginning of the year	1,55,07,29,903	1,46,32,71,900
Total	(24,32,87,215)	(8,99,40,409)
Note 24A: Excise Duty on Sale of Goods		
	1,38,15,95,243	1,66,40,54,113

PARTICULARS	Period Ended	Year Ended
	31 Dec 2016	31-Mar-16
	Amt (Rs.)	Amt (Rs.)
Note 25: EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	1,55,09,93,796	1,76,84,58,133
Contribution to provident and other funds	8,03,68,030	9,74,08,571
Stock compensation cost (Refer Note 37)	1,40,82,112	83,46,852
Staff welfare expenses	2,90,71,511	2,95,93,373
Total	1,67,45,15,448	1,90,38,06,929
Note 26: FINANCE COSTS		
Interest on:		
Term loans	21,07,493	7,636
Others	2,16,82,809	5,55,14,609
Processing Fees	53,46,559	1,16,86,662
Total	2,91,36,861	6,72,08,907
Note 26A - Depreciation		
Depreciation and amortisation expense	39,58,24,454	47,19,86,805
Note 27: Other expenses		
<u>Other Manufacturing Expenses</u>		
Stores and Spares Consumed	38,12,20,288	44,91,50,744
Power and Fuel	1,87,30,09,505	2,54,62,80,710
Excise Duty Variance on opening and closing Stocks	1,82,32,730	3,92,54,177
<u>Repairs & maintenance</u>		
- Building	3,82,46,655	5,05,09,745
- Machinery	6,97,91,040	7,99,67,151
- Others	2,48,97,446	2,17,32,222
<u>Administrative Expenses</u>		
Printing , Stationery & EDP Expenses	-	-
Rent	9,57,45,462	10,25,71,649
Rates & Taxes	44,66,042	1,13,67,272
Vehicle Expenses	-	-
Communication Expenses	-	-
Traveling & Conveyance Expenses	18,07,66,789	24,12,93,187
Insurance Charges	1,47,80,715	1,91,07,999
Legal & Professional Charges	1,72,52,590	2,86,39,105
<u>Auditors' Remuneration</u>		
- As Audit Fees	70,00,000	30,00,000
- For Tax Audit, Certification & Tax Representations	10,65,984	10,65,984
- For Other Matters	(10,13,160)	3,25,615
- For Reimbursement of Exp	-	-
Miscellaneous Expenses	14,22,37,129	20,21,61,653
<u>Selling & Distribution Expenses</u>		
Packing Freight & Forwarding Expenses	25,15,45,107	32,50,97,891
Advertisement, Publicity & Sales Promotion	47,54,69,990	53,30,92,247
Sales Commission	12,15,65,210	16,17,84,523
<u>Others</u>		
Loss on Sale / Scrapping of Fixed Assets	2,66,73,547	3,43,24,610
Provision for bad & doubtful debts	-	56,08,747
CSR Expenses	2,18,91,652	3,59,43,210
Research & Development Expenses	4,38,69,173	8,12,69,085
Total	3,80,47,13,893	4,97,39,47,626

KAJARIA CERAMICS LIMITED

CASH FLOW STATEMENT

	Nine months ended 31.12.2016	Year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	2,99,84,01,163	3,53,82,41,623
Adjusted for :		
Depreciation & Amortization	38,58,24,454	47,19,86,805
Interest Received	(12,00,80,063)	(17,44,38,829)
Interest Paid	2,37,90,302	6,72,08,907
Provision for ESOP	1,40,82,112	83,46,852
Loss on write off of investment		1,50,86,697
Loss on sale of Fixed Assets	2,66,73,647	3,43,24,610
	34,02,90,362	42,25,15,041
Operating Profit before Working Capital Changes	3,33,86,91,525	3,96,07,56,664
Adjusted for :		
Trade & Other Receivables	21,26,09,478	(68,09,62,183)
Inventories	(35,21,50,319)	(18,05,32,280)
Trade Payable & Other Liability	1,35,96,192	81,54,77,273
	(12,60,44,649)	(4,60,17,190)
Cash Generated from Operations	3,21,26,46,876	3,91,47,39,474
Interest Paid	(2,37,90,302)	(6,72,08,907)
Direct Taxes Paid	(1,00,27,77,324)	(95,73,35,307)
	(1,02,85,87,626)	(1,02,45,44,214)
Net Cash from operating activities	2,18,60,79,250	2,89,01,95,260
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(78,58,16,788)	(2,07,43,49,602)
Sale of Fixed Assets	1,31,26,002	6,31,52,086
Purchase of Investments	-	(31,20,92,000)
Sale of Investments	-	-
Interest Received	12,00,80,053	17,44,38,829
Net Cash used in Investing Activities	(65,26,10,733)	(2,14,88,50,687)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital / Warrants	-	1,47,64,656
Proceeds/ (Repayment) of Long Term Borrowings (Net)	(6,86,534)	(39,02,05,581)
Proceeds / (Repayment) of Short Term Borrowings (Net)	(38,46,36,732)	(38,14,32,127)
Dividend and Dividend Tax Paid	(47,82,35,495)	-
Net Cash used in Financing Activities	(86,35,58,761)	(75,88,74,052)
Net Increase In Cash and Cash Equivalents	66,99,09,756	(1,55,29,479)
Opening - Cash and Cash Equivalents	3,38,98,794	4,94,28,272
Closing - Cash and Cash Equivalents	70,38,08,550	3,38,98,794


COO (A & T)
and Co. Secretary


Chief Financial Officer

ANNEXURE-8 - COMPLAINT REPORT- BSE



Kajaria
TRANSFORM YOUR WORLD

Complaints Report

Part A

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

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	N.A.	N.A.	N.A.

For Kajaria Ceramics Limited

R.C. Rawat
Executive V.P. (A&T) & Company Secretary

Kajaria Ceramics Limited

Corporate Office: J1/B1 (Extn.), Mohan Co - op Industrial Estate, Mathura Road, New Delhi - 110044, Ph.: +91-11-26946409, Fax: +91-11- 26946407
Regional Office: SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon-122001, Haryana, Ph.: +91-0124-4081281
IN No. : L26924HR1985PLC056150, E-mail: info@kajariaceramics.com, Web: www.kajariaceramics.com

ANNEXURE-8- COMPLAINT REPORT- NSE



Kajaria
TRANSFORM YOUR WORLD

02.09.2016

Listing- Compliance Department
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai- 400051

Stock Symbol: KAJARIACER

Sub: Approval under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 ("SEBI Circular")

Re: Complaint Report as per Annexure III of SEBI Circular

Dear Sir/ Madam,

Further to our application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for proposed Scheme of Arrangement between Kajaria Securities Private Limited and Kajaria Ceramics Limited, please find enclosed herewith the Complaint Report in prescribed format in accordance with Para (I)(A)(6)(b) of Annexure 1 of SEBI Circular.

The Complaint Report will also be uploaded on website of the company under the following link:
https://www.kajariaceramics.com/pdf/Complaint_Report.pdf

We request you to kindly take the above on record. We request you to provide us "No Objection" at the earliest so as to enable us to file the Scheme with the Hon'ble High Court of Punjab and Haryana at Chandigarh.

Thanking You

Yours faithfully
For Kajaria Ceramics Limited


R.C. Rawat
Executive V.P. (A&T) & Company Secretary

Kajaria Ceramics Limited

Corporate Office: J1/B1 (Extn.), Mohan Co-op Industrial Estate, Mathura Road, New Delhi - 110044, Ph.: +91-11-26946409, Fax: +91-11-26946407
Regional Office: SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon-122001, Haryana, Ph.: +91-0124-4081281
CIN No.: L26924HR19B5PLC056150, E-mail: info@kajariaceramics.com, Web: www.kajariaceramics.com



Complaints Report

Part A

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

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	N.A.	N.A.	N.A.

For Kajaria Ceramics Limited

R.C.Rawat
Executive V.P. (A&T) & Company Secretary

Kajaria Ceramics Limited

Corporate Office: H/B1 (Extn.), Mohan Co - op Industrial Estate, Mathura Road, New Delhi - 110044, Ph.: +91-11-26946409, Fax: +91-11- 26946407

Regd Office: SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon-122001, Haryana, Ph.: +91-0124-4081281

CIN No. : L26924HR1985PLC056150, E-mail: info@kajariaceramics.com, Web: www.kajariaceramics.com

DCS/AMAL/ND/ BN-IP/540/2016-17

September 19, 2016

The Company Secretary
Kajaria Ceramics Limited
 SF-11, Second Floor,
 JMD Regent Plaza, Mehrauli Gurgaon Road,
 Village Sikanderpur, Ghosi, Gurgaon, 122001



Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Amalgamation between Kajaria Securities Private Limited and Kajaria Ceramics Limited

We are in receipt of Draft Scheme of Amalgamation between Kajaria Securities Private Limited and Kajaria Ceramics Limited.

As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated September 19, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- *"Company to ensure that additional information, if any, submitted by the Company, after filling the scheme with the stock exchange, is displayed from the date of receipt of this letter on the website of the listed company"*
- *"Company shall 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.

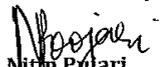
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- 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;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. 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,


 Nisha 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 : U67120MH2005PLC156188



Ref: NSE/LIST/87617

September 20, 2016

The Company Secretary
Kajaria Ceramics Limited
SF-11, Second Floor
JMD Regent Plaza
Mehrauli Gurgaon Road
Village Sikanderpur Ghosi,
Gurgaon - 122001

Kind Attn.: Mr. R. C. Rawat

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Kajaria Securities Private Limited and Kajaria Ceramics Limited

This has reference to draft Scheme of Arrangement between Kajaria Securities Private Limited and Kajaria Ceramics Limited submitted to NSE vide your letter dated August 05, 2016.

Based on our letter reference no Ref: NSE/LIST/85497 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015, SEBI has vide letter dated September 19, 2016, has given following comments on the draft Scheme of Amalgamation:

“a) Company to ensure that additional information, if any, submitted after filing the scheme with the Stock Exchanges, shall be displayed from the date of receipt of this letter on the website of the listed company.

b) 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 SEBI (LODR) Regulations, 2015, 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, SEBI (LODR) Regulations 2015, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from September 20, 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
- 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 SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Kautuk Upadhyay
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 : Kautuk Rohit Upadhyay
Date: Tue, Sep 20, 2016 18:20:55 GMT+05:30
Location: NSE



ROUTE MAP TO VENUE OF THE MEETING



KAJARIA CERAMICS LIMITED

CIN - L26924HR1985PLC056150

Registered Office: SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road,
Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001

Phone: +91-124-4081281

Corporate Office: J-1/B-1 (Extn), Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044

Phone: +91-11-26946409, **Fax:** +91-11-26946407

Email: investors@kajariaceramics.com, **Website:** www.kajariaceramics.com

PROXY FORM

Name of unsecured creditors.....

Address

E-mail ID

I/We, being the unsecured creditor(s) of KAJARIA CERAMICS LIMITED, hereby appoint;

1. Name: _____ Address: _____
E-mail ID: _____ Signature: _____
Or failing him
2. Name: _____ Address: _____
E-mail ID: _____ Signature: _____
Or failing him
3. Name: _____ Address: _____
E-mail ID: _____ Signature: _____

as my/our proxy, to act for me/us at the meeting of Unsecured creditors of the Company, to be held on Friday, 21st day of July, 2017 at 12:00 Noon at the registered office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli-Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana-122001 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution(s)	Vote	
		For	Against
1	Purpose of considering and if thought fit, approving with or without modification(s), the Scheme of Arrangement between Kajaria Securities Private Limited and Kajaria Ceramics Limited and their respective shareholders and creditors		

Signed this..... day of.....2017

Affix
Revenue
Stamp of
Re. 1/-

Signature of Proxyholder(s) _____ Signature of Unsecured Creditors _____

Note:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the aforesaid meeting.
2. An unsecured creditor entitled to attend and vote is entitled to appoint proxy to attend and on poll, to vote instead of himself/herself. A proxy need not be unsecured creditor of the Company.
3. If the Company receives multiple proxies for the same holdings of a unsecured creditor, the proxy which is dated last shall be considered valid and if they are not dated or bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.
4. Signature of unsecured creditor should be across a revenue Stamp of Re. 1.
5. All alterations made in the form of proxy should be initialed.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of a unsecured creditor, blind or incapable of writing, would be accepted if such unsecured creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the unsecured creditor before he attached his signature or mark.
8. The proxy of an unsecured creditor who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the unsecured creditor in the language known to him, and gives the unsecured creditor's name in English below the signature.



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KAJARIA CERAMICS LIMITED

CIN - L26924HR1985PLC056150

Registered Office: SF-11, Second Floor, JMD Regent Plaza, Mehrauli Gurgaon Road,
Village Sikanderpur Ghosi, Gurgaon, Haryana- 122001

Phone: +91-124-4081281

Corporate Office: J-1/B-1 (Extn), Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044

Phone: +91-11-26946409, **Fax:** +91-11-26946407

Email: investors@kajariaceramics.com, **Website:** www.kajariaceramics.com

ATTENDANCE SLIP

**MEETING OF UNSECURED CREDITORS OF KAJARIA CERAMICS LIMITED
ON FRIDAY, 21ST DAY OF JULY, 2017 AT 12:00 NOON**

I/We hereby record my/our presence at the meeting of unsecured creditors of the Company, convened pursuant to order dated 4th May, 2017 of National Company Law Tribunal, Chandigarh Bench ("Tribunal"), on Friday, 21st day of July, 2017 at 12:00 Noon at the registered office at SF-11, Second Floor, JMD Regent Plaza, Mehrauli-Gurgaon Road, Village Sikanderpur Ghosi, Gurgaon, Haryana -122001.

Unsecured Creditor's/Proxy's Name in Block Letters
(to be filled by the Unsecured Creditor)

Unsecured Creditor's/ Proxy's Signature
(to be filled by the Unsecured Creditor/proxy)

Note:

1. Please complete details and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting.
2. Physical Copy of Scheme of Arrangement and Notice of the tribunal convened meeting of unsecured creditors along with Attendance Slip, Proxy Form, Route Map etc. is being sent through speed post or courier service to all unsecured creditors.
3. Unsecured Creditors who come to attend the meeting are requested to bring their copy of the Scheme of Arrangement with them.



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