

Dated 29th November, 2019

The General Manager
Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, Rotunda Building,
B.S.Marg, Fort, Mumbai - 400 001

Dear Sir,


Sub: Intimation of approval of Scheme of Amalgamation - reg.
Ref: Reg. 30 of SEBI (LODR) Regulations, 2015.
Scrip Code: 515085

We wish to inform you that Board of Directors of Restile Ceramics Limited in its meeting held on 29th November 2019 have considered and approved the Scheme of Amalgamation of Restile Ceramics Limited (Transferor Company) with Bell Granito Ceramica Limited (Transferee Company) under sections 230 to 232 of the Companies Act, 2013 (Scheme). The Scheme will come into effect subject to the approval from the shareholders of the Company and the Transferee Company, the BSE Limited and sanction of the Hon'ble National Company Law Tribunal, Gujarat Bench.

It may be noted that the proposed Scheme has been reviewed by the Audit Committee and upon its recommendation approved by the Board of the Company.

Enclosed as Annexure A is the information pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015. Request you to take the same on record.

Thanking you,
for **Restile Ceramics Limited**


Nalinkanth Rathod
Chairman

Encl: As above

RESTILE CERAMICS LIMITED

Regd. Office : 204, Sakar Complex, Opp. ABS Tower, Vaccine Crossing, Old Padra Road, Vadodara, Gujarat - 390015, India.
CIN : L26931GJ1986PLC102350

Branch Office : D.No.1-10-77, 5th Floor, Varun Towers, Opp. Hyderabad Public School, Begumpet, Hyderabad - 500 016.
E-mail : restile@accountsare.com, works@restile.com, Website : www.restile.com

■ Granamite ■ Mirrorstone ■ PearlRock ■ MarboGranit ■ Impacta ■ Gripmax

Date: 29th November, 2019

To,
BSE Limited
Corporate Relationship Department,
25th Floor, P J Towers, Dalal Street,
Fort, Mumbai – 400001
SECURITY CODE NO: 514286

Dear Sir/Madam,

Sub: Intimation of board meeting for considering Scheme of Amalgamation pursuant to Regulation 30 of SEBI (Listing an Obligations and Disclosures Requirements) Regulations, 2015

In compliance with Regulation 30 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosures Requirements) Regulations 2015 (LODR Regulations) this is to inform you that the Board of Directors of Restile Ceramics Limited ("Company" / "RCL" / "Transferor Company") at its meeting held today i.e. 29th November, 2019, *inter alia*, approved the Scheme of Amalgamation of Restile Ceramics Limited with Bell Granito Ceramica Limited ("BGCL" / "Transferee Company"), pursuant to Sections 230-232 and other applicable provisions, if any, of the Companies Act 2013 and the rules framed thereunder.

The Scheme provides for the transfer and vesting of the entire undertaking of the Transferor Company into the Transferee Company and the dissolution of the Transferor Company without winding up.

The Transferee Company would be listed on the Bombay Stock Exchange pursuant to approval of the Scheme. The Appointed Date for the Scheme is the opening of business hours on 01st April, 2020.

The Scheme will come into effect subject to the approval of Stock Exchange, Hon'ble National Company Law Tribunal, Ahmedabad Bench and such other statutory authorities as may be required.

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It may be noted that the proposed Scheme has been reviewed and recommended for approval by Audit Committee of the Board of the Company at its meeting held on 29th November 2019.

The Board has decided that Atreya Finance Private Limited shall be not be part of the Scheme of Amalgamation and shall be considered separately in future, if required.

Enclosed as **Annexure A** is the information pursuant to Regulation 30 of LODR Regulations.

Thanking You,
Yours Faithfully,

For Restile Ceramics Limited


CHAIRMEN
Encl.: As above



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ANNEXURE A

Disclosure of information Pursuant to Regulation 30 of SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No CIR/CFD/CMD/4/2015 dated September 9, 2015

- a. Name of the entity(ies) forming part of the amalgamation, details in brief such as size, turnover etc.
1. Restile Ceramics Limited, is a listed public limited company incorporated on 26th May, 1986 under the Companies Act, 1956 with CIN no. L26931GJ1986PLC102350 having its registered office address at 204, Sakar Complex, Opp Abs Tower, Vaccine Crossing, Old Padra Road, Vadodara 390015, Gujarat.
 2. Bell Granito Ceramica Limited, is a unlisted public limited company incorporated on 29th January, 1993 under the Companies Act, 1956 with CIN no. U18907GJ1993PLC018901 having its registered office address at At & Post Village Gavasad taluka, Padra, Baroda – 391430, Gujarat.
 3. The proposed Scheme of Amalgamation (“Scheme”) involves amalgamation of the Company with BGCL. The Appointed Date for the Scheme is the opening of business hours on 01st April 2020.
 4. Post the approval of the Scheme by the stock exchange, shareholders, creditors and National Company Law Tribunal, the Transferee Company shall be listed on the Bombay Stock Exchange. The name of the Transferee Company will be changed to Restile Ceramics Limited pursuant to the amalgamation.
 5. The paid-up capital, net-worth and turnover of the Transferor Company and Transferee Company as on 31st March 2019 and 30th September 2019 is as follows -



Particulars (INR in Lacs)	Transferor Company		Transferee Company	
	As on 31 st March 2019 (Audited)	As on 30 th September 2019 (Un-audited, limited review)	As on 31 st March 2019 (Audited)	As on 30 th September 2019 (Audited)
Paid up Capital	9,827.92	9,827.92	36,484.54	36,484.54
Net-worth	(986.35)	(1,323.11)	23,038.51	22,126.33
Turnover (Revenue from Operations)	205.95	140.45	6,292.58	3,255.88

b. Whether the transaction would fall within related party transactions, if yes, whether the same is done at arms-length

Under the Companies Act 2013, it has been noted that Ministry of Corporate Affairs vide its Circular No 30/2014 dated July 17, 2014 has clarified that transactions arising out of compromises, arrangements and amalgamations dealt with under specific provisions of the erstwhile Companies Act, 1956 or the Companies Act, 2013 (as the case may be) will not attract the requirements of Section 188 of the Companies Act, 2013 (Related Party Transactions).

In the instant case, wherein the scheme of amalgamation between the Company and BGCL and their respective shareholders as per the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with relevant rules framed thereunder, is proposed to be presented before the jurisdictional National Company Law Tribunal under Sections-230 to 232 of the Companies Act 2013 it may be stated that the same may not be required to comply with the requirements specified under Section 188 of the Companies Act, 2013 as a related party transaction.

However, the Transferor Company and the Transferee Company come under common control and are therefore treated as associate companies for related party transactions. In light of-the same, the present transaction may be deemed to be a related party transaction under the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other related rules and regulations (as amended from time to time).



Thereby the Board of Directors of Restile Ceramics Limited has, in its meeting held today, based on the recommendations of the Audit Committee, approved the amalgamation of the Company with BGCL by way of and in accordance with the Scheme basis the following documents in order to maintain fairness and arms-length basis:

- a) Share Exchange Report dated 29th November, 2019 issued by N S Kumar & Co., Independent Chartered Accountant, having Registration No. 139792W and Niranjana Kumar, Registered Valuer, having IBBI Registration No IBBI/RV/06/2018/10137 providing the share exchange ratio in connection with amalgamation of the Company with BGCL under the Scheme; and
- b) Fairness Opinion dated 29th November 2019 issued by Kunvarji Finstock Private Limited a SEBI Registered Category I Merchant Banker, having SEBI Registration No INM000012564, on the share exchange ratio in connection with amalgamation of the Company with BGCL under the Scheme

Further the proposed Scheme is subject to necessary regulatory approvals.

c. Area of business of the entities

- (i) The Company is engaged in the business of manufacturing flooring tiles and full body homogenous vitrified tiles.
- (ii) The Transferee Company is also in the similar business of manufacturing of flooring tiles and vitrified flooring tiles.

d. Rationale for the Scheme of amalgamation

The Transferor Company is engaged in the business of vitrified ceramic tiles since last 3 decades. The Transferor Company has been closely associated with the Transferee Company (engaged in the similar business) and as on date is directly or indirectly held by the same Promoter Group. The Transferor Company due to non-availability of natural gas (a key component) for its production process at its Hyderabad plant has been dependent on the Transferee Company for its sustainability, supplies and continuity of business.



In this regard, the proposed amalgamation of Transferor Company into Transferee Company shall result into several advantages to both the companies and their stakeholders. Some of them, inter alia, are:

- (i) The Transferor Company is listed on BSE and having 23,309 public shareholders holding 28.04% stake in the Transferor Company. The proposed amalgamation would provide sustainability and viability to business of Transferor Company and thereby would be in interest of such public shareholders;
- (ii) The proposed amalgamation of the Transferor Company with Transferee Company would achieve the following: –
 - a. Reduction in overheads, administrative, managerial and other expenditure;
 - b. Significant reduction in the multiplicity of legal and regulatory compliances;
 - c. Rationalization of inter-company / related party transactions; and
 - d. Streamlining the cashflow, effective utilization of the tax credits.
- (iii) The proposed amalgamation would provide a greater financial strength base for the Transferor Company, which would result in maximizing overall public shareholders value, and will improve the overall position of the entity;
- (iv) Subsequent to the proposed amalgamation, the Transferee Company would be listed on a recognized stock exchange and this would overall improve the position / marketability and enhance branding and corporate value of the merged entity; and
- (v) The proposed merger shall not be prejudicial to the interest of the shareholders including public shareholders and shall not have any adverse impact on creditors and other stakeholders of the Transferor Company and Transferee Company.

e. In case of cash consideration, amount otherwise share exchange ratio

Based upon the Share Exchange Reports, the Fairness Opinion and the recommendations received from Audit Committee, the board of directors have approved the following share swap ratio -

“Upon the Scheme becoming effective, in consideration of the amalgamation of the Transferor Company with the Transferee Company, the Transferee Company shall, without any further act or deed, issue and allot its shares, credited as fully paid up to the extent indicated below, to the members of Transferor Company, whose name is recorded in the register of members of the Transferor Company on the Record Date in the following ratio:

With respect to Equity Shareholders of Transferor Company -



“1 (One) new equity share of the Transferee Company of the face value of INR.10/- (Rupees Ten Only) each, credited as fully paid-up for every 3 (Three) equity share of INR.10/- (Rupees Ten Only) each fully paid-up held by such member in the Transferor Company”

f. Brief Details of the Change in shareholding of the Transferor Company and Transferee Company

1. There will be a change in the shareholding pattern of the Transferee Company pursuant to the Scheme in accordance with the share swap ratio. The brief details of the shareholding of the Transferee Company and Transferor Company pre and post the Scheme is as follows –

Transferee Company – Bell Granito Ceramica Limited

Particulars	Pre-Amalgamation		Post-Amalgamation	
	No of shares	%	No of shares	%
Promoter	25,07,37,417	68.72%	27,43,11,645	68.99%
Public	11,41,07,949	31.28%	12,32,93,467	31.01%
Total	36,48,45,366	100.00%	39,76,05,112	100.00%

Transferor Company – Restile Ceramics Limited

Particulars	Pre-Amalgamation		Post-Amalgamation	
	No of shares	%	No of shares	%
Promoter	7,07,22,685	71.96%	Not Applicable, as the Transferor Company will be wound up	
Public	2,75,56,554	28.04%		
Total	9,82,79,239	100.00%		

