

SHARE ENTITLEMENT CERTIFICATE

Bell Ceramics Ltd (hereinafter referred to as *Transferor Company*), having its registered office at Dora Village, Amod Taluka, Bharuch- 392230, Gujarat, is proposed to be amalgamated with the **Orient Ceramics and Industries Limited** (hereinafter referred to as *Transferee Company*) having its Registered Office situated at 8 Industrial Area, Bulandshahr District, Sikandrabad- 203205, Uttar Pradesh.

On the basis of the perusal of the draft scheme of Amalgamation & verification of the relevant records of the company, we hereby certify that the **Share Entitlement Ratio**, for the said purpose, is **fair and reasonable** based on the methodology stated in Regulation 76 of the SEBI (ICDR) Regulations, 2009 and which are as follows:-

- a) *Where the Equity Shares of the Company are listed on the stock exchange for a period of six months or more as on the relevant date, the issue of equity shares on preferential basis shall be made at a price not less than higher of the following:*
 - i) *The average of weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date*
 - ii) *The average of weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the relevant date.*



- b) *Where the Equity shares of the issuer have been listed on a stock recognized stock exchange for a period of less than six months as on the relevant date, the equity shares shall be allotted at a price not less than the higher of the following:*
- i) *the price at which equity shares were issued by the issuer in its initial public offer or the value per share arrived at in a scheme of arrangement under section 391 to 394 of the Companies Act, 1956, pursuant to which the equity shares of the issuer were listed, as the case may be; or*
 - ii) *the average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during the period shares have been listed preceding the relevant date; or*
 - iii) *the average of the weekly high and low of the closing prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.*

Based on the information and explanations given to us the above rules have been applied to the transferor and transferee company as follows:

Valuation of Transferor Company

In case of the transferor company the share capital of the company was reduced under section 100 of Companies Act in the following manner:

- the face value of Rs. 10 each fully paid up of the company reduced to Rs. 3.33/- per equity share (w.e.f 27th July 2010).
- thereafter 3(three) equity shares of Rs. 3.33/- each were consolidated into 1(one) equity share of Rs. 10/- each,

Due to the above there was a suspension in trading for the period 26th July, 2010 to 6th Sept, 2010. Hence, the regular quotations for the preceding six months from the appointed date (1st Jan 2011) were not available for the month of July and August. Hence the valuation of equity



share of the transferor company has been done based on Clause (b) of Regulation 76. In our opinion the value of a equity share of transferor company works out to be Rs. 23.77 per share.

For detailed calculation refer **Annexure 1**

Valuation of Transferee Company

The valuation of the equity share of transferee company has been done based on the Clause (a) of the Regulation 76, which works out to be Rs. 87 per share.

For detailed calculation refer **Annexure 1**

SWAP RATIO

In our opinion a fair and reasonable exchange ratio on amalgamation of the transferor company into the transferee company would be:

“One equity share of Transferee Company for every four equity share of the Transferor Company”.

Hence 30,43,451 equity shares of Orient Ceramics and Industries Ltd will be issued to the shareholders of Bell Ceramics Ltd in the swap ratio as per given herein before.

For S.R.DINODIA & CO.
CHARTERED ACCOUNTANTS,



(SANDEEP DINODIA)
PARTNER
M.No.083689

PLACE : NEW DELHI
DATED: 12 MAY 2011

ANNEXURE 1

Ceramics Ltd.

Orient Ceramics and Industries Ltd.

Value of equity shares at the time of IPO is Rs 10 at par

Weeks (2010)	High closing	Low closing	Average
1st-15sept	26.92	23.74	25.33
16-22sept	24.83	22.53	23.68
23-29sept	24.78	23.59	24.185
30sept-6oct	23.7	23.55	23.625
7-13oct	23.8	23.65	23.725
14-20 oct	23.9	23.5	23.7
21-27oct	23.7	23.4	23.55
28oct-2nov	23.75	23.2	23.475
3-9nov	24	23.4	23.7
10-16nov	23.95	23.15	23.55
17-23 nov	24.1	23.95	24.025
24-30nov	24.2	24	24.1
1-7dec	24.4	24.2	24.3
8-14dec	24.6	22.25	23.425
15-21dec	23.75	22.45	23.1
22-28dec	23.4	22.25	22.825

Average Rs 23.77

15 dec-21dec	23.75	22.45	23.1
22 dec-28dec	23.4	22.25	22.825
Average			22.96

Higher of a,b & c Rs 23.77

(a)

Weeks (2010)	High closing	Low closing	Average
1st july-7th july	77.25	76.3	76.775
8july-14 july	81.25	77.3	79.275
15july-21july	89.35	87.55	88.45
22 july-28july	85.75	81.25	83.5
29 july-4aug	89.45	84.8	87.125
5aug-11aug	97.4	88.55	92.975
12 aug-18aug	95.65	91	93.325
19 aug-25aug	88.1	83.6	85.85
26aug-1sept	93.65	88.7	91.175
2 sept-8sept	96.45	89.95	93.2
9 sept-15sept	96.4	92.85	94.625
16 sept-22sept	97.55	92.65	95.1
23 sept-29sept	95.9	93.45	94.675
30sept-6oct	93.65	91.25	92.45
7 oct-13oct	96.2	91.35	93.775
14 oct-20 oct	95.6	92.95	94.275
21 oct-27oct	103.05	95.7	99.375
28oct-2nov	94.6	92.6	93.6
3 nov-9nov	93.25	92.65	92.95
10 nov-16nov	92.95	87.4	90.175
17 nov-23 nov	82.95	79.6	81.275
24 nov-30nov	82	73.3	77.65
1 dec-7dec	79.05	75.55	77.3
8 dec-14dec	71	68.45	69.725
15 dec-21dec	72.3	69.85	71.075
22 dec-28dec	73.25	71.25	72.25

Average Rs 87.00

(b)

15 dec-21dec	72.3	69.85	71.075
22 dec-28dec	73.25	71.25	72.25
Average			71.6625

Higher of a & b Rs 87.00

$$\text{Swap Ratio} = \frac{\text{Old Company Share Price}}{\text{New Company Share Price}} = 0.27$$



ANNEXURE 2

CONSOLIDATED BALANCE SHEET AS ON 31ST DEC 2010

(Rs in lacs.)

PARTICULARS	Bell Ceramics Ltd* (Transferor Company)	Orient Ceramics and Industries Ltd.** (Transferee Company)	Consolidated
Gross Block	30,590.61	20,200.80	50,791.41
Depreciation	(13,959.86)	(12,693.82)	(26,653.68)
Net Block	16,630.75	7,506.98	24,137.73
Investment	0.01	2,007.82	2,007.83
CWIP	-	324.42	324.42
Inventories	3,217.98	7,738.04	10,956.02
Cash & Bank Balances	62.68	645.84	708.52
Sundry Debtors	1,013.44	2,834.41	3,847.85
Other Current assets	-	-	-
Loans & Advances	407.69	1,537.25	1,944.94
Current Liabilities	(4,028.79)	(3,015.94)	(7,044.73)
Other current liabilities	-	(2,385.64)	(2,385.64)
Unpaid dividends	-	(10.61)	(10.61)
Deferred Tax Assets/liabilities(net)	516.27	(428.31)	87.96
Unsecured Loans	(1,369.93)	(2,198.33)	(3,568.26)
Secured Loans	(7,490.42)	(7,443.01)	(14,933.43)
Trade Deposits	(414.35)	-	(414.35)
Application of funds	8,545.33	7,112.92	15,658.25
Share Capital	1,217.38	1,053.00	1,357.35
Reserves and Surplus	7,720.57	2,705.05	10,425.62
Profit & Loss Account	(466.01)	3,281.27	2,815.26
Provision for taxes	73.39	73.60	146.99
Amalgamation Reserve	-	-	913.03
Sources of funds	8,545.33	7,112.92	15,658.25

*Audited

**Reviewed

