



ORIENT CERAMICS AND INDUSTRIES LTD.

Registered Office: 8 Industrial Area, Sikandrabad-203205
District Bulandshahr, Uttar Pradesh

COURT CONVENED MEETING OF THE UNSECURED CREDITORS

Day : Friday
Date : 30th September, 2011
Time : 11.00 A.M.
Venue : 8 Industrial Area, Sikandrabad-203205
District Bulandshahr, Uttar Pradesh

CONTENTS		
S. NO.	SUBJECT	PAGE NO.
1.	Notice Convening Meeting of Unsecured Creditors	2
2.	Explanatory Statement u/s 393 of the Companies Act, 1956	3-9
3.	Scheme of Amalgamation / Merger u/s 391 to 394 of the Companies Act, 1956	10-28
4.	Proxy Form & Attendance Slip	29

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD

ORIGINAL COMPANY JURISDICTION

COMPANY APPLICATION NO. 13 OF 2011

(Under Section 391 to 394 of the Companies Act 1956)

(District : Bulandshahr)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF AMALGAMATION

OF

Orient Ceramics and Industries Limited
Having its Registered Office at 8, Industrial Area,
Sikandrabad – 203205, District Bulandshahr, Uttar Pradesh

—Transferee Company/Applicant Company

AND

Bell Ceramics Limited
Having its Registered Office at Dora Village,
Amod Taluka, Bharuch- 392230, Gujarat

—Amalgamating/Transferor Company

**NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF
ORIENT CERAMICS AND INDUSTRIES LIMITED**

To,

The Unsecured Creditors of Orient Ceramics and Industries Limited

TAKE NOTICE that by an order made on 24th August, 2011 Hon'ble High Court of Judicature at Allahabad has directed that a meeting of the Unsecured Creditors of the Company ORIENT CERAMICS AND INDUSTRIES LIMITED (OCIL) be held for the purposes of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation between BELL CERAMICS LIMITED and ORIENT CERAMICS AND INDUSTRIES LIMITED, fully described above and their respective Equity Shareholders and Unsecured Creditors and Secured Creditors.

TAKE FURTHER NOTICE that in pursuance of the said order, a meeting of the Unsecured Creditors of the Company will be held on Friday, 30th September, 2011 at the Registered Office of the Transferee Company, Orient Ceramics and Industries Limited at 8, Industrial Area, Sikandrabad – 203 205, District Bulandshahr, Uttar Pradesh at 11.00 A.M. when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or through proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of OCIL at 8, Industrial Area, Sikandrabad- 203205, District Bulandshahr, Uttar Pradesh not later than 48 hours before the meeting.

The Court has appointed Shri B. K. Pandey, Advocate and failing him Smt. Archana Rani, Advocate to be Chairman of the said meeting.

A copy of each of the Scheme of Amalgamation, the Statement under section 393 and a Form of proxy is enclosed.

Dated this day 01st day of September, 2011.

sd/-
(S. D. Singh)
Advocate
Counsel for Applicant Company

sd/-
(B. K. Pandey)
Advocate
Chairman appointed for the meeting

[Note : All alterations made in the Form of Proxy should be initialed.]

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD

ORIGINAL COMPANY JURISDICTION

COMPANY APPLICATION NO. 13 OF 2011

(Under Section 391 to 394 of the Companies Act 1956)

(District : BULANDSHAHR)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF AMALGAMATION / MERGER

OF

Orient Ceramics and Industries Limited
Having its Registered Office at 8, Industrial Area,
Sikandrabad – 203205, District Bulandshahr, Uttar Pradesh

—Transferee Company/Applicant Company

AND

Bell Ceramics Limited
Having its Registered Office at Dora Village,
Amod Taluka, Bharuch- 392230, Gujarat

—Amalgamating/Transferor Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. A Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956 (“**Act**”) is proposed among Bell Ceramics Limited (“**BCL**”) and Orient Ceramics and Industries Limited (“**OCIL**”). In terms of the Scheme of Amalgamation/Merger of Bell Ceramics Limited with Orient Ceramics and Industries Limited (“**Scheme**”), BCL will amalgamate with OCIL, resulting in dissolution without liquidation of BCL and continued existence of the amalgamated/merged company OCIL alone.

OCIL had filed a Company Application being Application No. 13 of 2011 before the High Court of Judicature at Allahabad seeking directions from the Hon’ble Court for convening with meetings of the Secured Creditors, Unsecured Creditors and Equity Shareholders of OCIL. The Hon’ble High Court of Judicature at Allahabad, by an order dated 24th August, 2011 as corrected/modified, has directed the convening of the following separate meetings to consider the Scheme:-

Meeting of Unsecured Creditors – On 30th September 2011 at 11.00 A.M.

Meeting of Secured Creditors – On 01st October 2011 at 1.00 P.M.

Meeting of Equity Shareholders – On 01st October 2011 at 11.00 A.M.

All the above meetings are to be held at the Registered Office of the Company OCIL at 8, Industrial Area, Sikandrabad – 203 205, Distt Bulandshahr, U.P. for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme.

This Statement explaining the terms of the Scheme is being furnished as required under Section 393 (1) (a) of the Companies Act, 1956.

2. The Scheme of Amalgamation was placed before the board of directors of the Applicant Company as well as BCL at their respective Board meetings both held on 13.05.2011 and the Board of Directors of both the Companies have approved the Scheme and filing thereof before the Hon’ble High Courts of competent jurisdiction. As more particularly stated, the Share Exchange Ratio for issuance of equity shares of OCIL to the equity shareholders of BCL was also approved by the Board of Directors of the Applicant Company and that of BCL.

3. OCIL is a Public Limited Company incorporated under the Companies Act, 1956. The Company's registered office is situated at 8, Industrial Area, Bulandshahr District, Sikandrabad- 203205, Uttar Pradesh. OCIL is engaged in the business of manufacture and trading of ceramic tiles. The shares of OCIL are listed on the Bombay Stock Exchange, National Stock Exchange (hereinafter referred to as "Stock Exchanges") OCIL's equity shares were also listed on Calcutta Stock Exchange which OCIL voluntarily got delisted under SEBI (Delisting of Securities) Guidelines, 2003 with effect from 08.07.2011.

The authorized, issued, subscribed and paid-up capital of OCIL as on Appointed Date* is:

Share Capital	Amount (Rs.) (In Lacs)
Authorised: 1,50,00,000 Equity Shares of Rs. 10/- each	1,500.00
Issued, Subscribed & Paid-Up 1,05,30,000 Equity Shares of Rs. 10/- each fully paid up	1,053.00

4. The Transferor Company, BCL is a Company duly incorporated on 18th October 1985 under the Companies Act, 1956 having its registered office at Village Dora, Taluka Amod, District Bharuch 293230 Gujarat. BCL is engaged in the business of manufacture and trading of ceramic tiles. The shares of BCL are listed on the Bombay Stock Exchange and National Stock Exchange.

The share capital structure of Transferor Company (BCL) as on 31st December 2010 is as under:

Particulars	Amount (Rs.) (In Lacs)
Authorised: 2,50,00,000 Equity Shares of Rs.10/- each	2,500.00
1,50,00,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10/- each	1,500.00
Total	4,000.00
Issued, Subscribed & Paid-Up 1,21,73,807 Equity Shares of Rs.10/- each fully paid up	1,217.38
TOTAL	1,217.38

5. The circumstances and/or reasons and/or grounds that have necessitated and/or justified the Amalgamation of BCL with OCIL are set out herein below:-
- The Scheme seeks to consolidate the business of BCL with OCIL.
 - OCIL and BCL are in similar line of business and therefore, the amalgamated/merged company would derive significant synergy.
 - OCIL has plants/ manufacturing facility in North India and strong market presence in North and East India whereas the BCL has plants and strong market presence in West and South India which is a good business synergy as it would help in competitive at pan India operations.
 - Such consolidation of BCL with OCIL is in the interests of the shareholders, creditors and employees of BCL and OCIL, as it would result in increased managerial and operational efficiencies, synergistic integration of businesses presently being carried on by BCL and OCIL and is necessitated in view of funding requirements for the proposed capacity expansion of OCIL.
6. The registered office of OCIL is situated in the state of Uttar Pradesh. Therefore, OCIL has filed its application for the approval of the scheme of Amalgamation before the Hon'ble Court of Judicature at Allahabad, Uttar Pradesh having competent jurisdiction.

* The **Appointed Date** means for the purpose of amalgamation of Transferor Company and Transferee Company, 1st Jan 2011.

7. OCIL shall, on the scheme being approved by its Shareholders, Secured and Unsecured Creditors, as the case may be, file a petition under Section 394 of the Companies Act, 1956 before the Hon'ble Court of Judicature at Allahabad, Uttar Pradesh, for sanction of the scheme.
8. In terms of Clause 24 (f) of the listing agreement executed by OCIL, with the said stock exchanges, OCIL has received "No Objection Letters" from the Bombay Stock Exchange and the National Stock Exchange dated 28th July, 2011 and 26th July, 2011 respectively to enable the filing of the scheme with the Hon'ble High Court of Judicature of Allahabad, Uttar Pradesh.
9. In terms of Clause 24 (f) of the listing agreement executed by BCL, with the said stock exchanges, BCL has received "No Objection Letters" from the Bombay Stock Exchange and the National Stock Exchange dated 28th July, 2011 and 26th July, 2011 respectively to enable the filing of the scheme with the Hon'ble High Court of Gujarat at Ahmedabad.
10. No investigation proceedings have been instituted or are pending under Section 235 to 251 of the Companies Act, 1956 against the Applicant Company or the BCL.
11. The directors of OCIL may be deemed to be concerned and/or interested in the scheme to the extent of their shareholding in the Applicant Company. The directors of OCIL may also be deemed to be concerned and/or interested in the scheme to the extent, the said directors are the partners/members of OCIL, firms, association of persons or bodies corporate and/or beneficiaries of trust that hold shares in OCIL or to the extent they may be allotted shares in OCIL as a result of the scheme.
12. List of Directors of OCIL together with the numbers of shares held by them in the OCIL and BCL as on 30.06.2011 is given below:-

S. No.	Names of Directors	Number of Shares held in	
		OCIL	BCL
1.	Shri Mahendra K. Daga	28,01,054	14,759
2.	Shri Madhur Daga	9,45,993	Nil
3.	Shri R.N. Bansal	Nil	Nil
4.	Shri N.R. Srinivasan	Nil	Nil
5.	Shri Dhruv M. Sawhney	Nil	Nil

13. List of Directors of BCL together with the numbers of shares held by them in BCL as on 30.06.2011 is given below:-

S. No.	Names of Directors	Number of Shares held in BCL
1.	Shri Mahendra K. Daga	14,759
2.	Shri Madhur Daga	Nil
3.	Shri R.N. Bansal	Nil
4.	Shri N.R. Srinivasan	Nil
5.	Shri Arun Kumar Sodhani	Nil
6.	Shri Anil Agarwal	Nil
7.	Shri Shiv Kumar Jatia	28,383
8.	Shri. K. M. Pai	Nil
9.	Ms. Madhavi Kapadia (Nominee Director of IDBI Bank)	Nil

14. The authorized, issued, subscribed and paid-up capital structure of OCIL upon the scheme becoming effective is set out below:-

Particulars	Amount (Rs.) (In Lacs)
Authorised:	
1,50,00,000 Equity Shares of Rs. 10/- each(OCIL)	1,500.00
2,50,00,000 Equity Shares of Rs.10/-each (BCL)	2,500.00
1,50,00,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10/- each (BCL)	1,500.00
Total	5,500.00
Issued, Subscribed & Paid-Up	
1,05,30,000 Equity Shares of Rs. 10/- each fully paid up(OCIL)	1,053.00
30,43,451 Equity Shares of Rs. 10/- each fully paid up(New shares to be issued on amalgamation)	304.35
Total	1,357.35

15. The pre –scheme and post-scheme shareholding pattern of OCIL is set out below:-

S.No.	Category of Shareholder	Pre Scheme			Post Scheme		
		No. of Share holders	Total No. of Shares	% of total no. of Shares	No. of Share holders [†]	Total No. of Shares	% of total no. of Shares
1.	Promoters	10	78,70,274	74.74	11	99,69,411	73.45
2.	Non Promoters (Public shareholding)	3,929	26,59,726	25.26	16,317	36,04,040	26.55
	Total	3,939	1,05,30,000	100.00	16,328	1,35,73,451	100.00

16. The salient features of the scheme as extracted therefrom are as follows:-

Amalgamation of BCL with OCIL:-

- (i) Upon the scheme coming into effect on the Effective Date (defined in the Scheme to mean the date or the last of the dates when the certified copies of the orders of the Hon'ble High Courts of Allahabad and Gujarat are filed with the respective Registrar of Companies, Gujarat and Uttar Pradesh by the Transferor Company and the Transferee Company) and with effect from the Amalgamation Appointed Date, BCL (a subsidiary of OCIL/ the Applicant Company, holding 68.31% shares of BCL), shall stand amalgamated into OCIL without any further deed or act, together with all its properties, assets, investments, rights, benefits and interests therein, subject to existing charges thereon in favour of banks and financial institutions as the case may be.
- (ii) Upon the scheme becoming effective OCIL shall issue at par and allot to all the equity shareholders of BCL in the company OCIL, equity shares in the proportion of (1) one equity share of the face value of Rs. 10/- each of the OCIL credited as fully paid up in lieu of (4) four equity shares of the face value of Rs. 10/- each fully paid up held by the equity shareholders of BCL on such date (record date[‡]) after the Transfer Date[§] as the Board of Directors of the OCIL may determine.

[†] Assuming post amalgamation the no. of shareholders of Applicant company and BCL remains unchanged as that of 30.06.11

[‡] The Board of Directors shall determine the record date, being a date subsequent to the filing of the order of the Court sanctioning the Scheme with the Registrar of Companies, Uttar Pradesh & Uttarakhand ("Amalgamation Record Date") for the allotment of fully paid-up equity shares of face value of Rs. 10/- each, to the shareholders of BCL as on the Amalgamation Record Date.

[§] The Transfer date shall be the same as Effective date.

- (iii) The exchange ratio for the purpose of issuance of the equity shares of OCIL under the said Scheme of Amalgamation has been made on fair and reasonable basis and on the basis of the valuation report of M/s S. R. Dinodia & Co., Chartered Accountants having their Office at K - 39, Connaught Place, New Delhi - 110001. One (1) equity share of the OCIL will be allotted to every shareholder of BCL in lieu of every four (4) equity shares held by him in the company BCL.
- (iv) As a result of the allotment in the manner specified hereinabove, if any equity shareholder of BCL becomes entitled to any fractional coupon/s of equity shares of OCIL, no such fractional coupon(s) shall be issued in respect of or representing such equity shares of OCIL, but such fractional coupon(s) shall be consolidated into whole equity shares of Rs 10/- (ten) each and the Board of Directors of OCIL may allot any one or more of such consolidated shares to any nominee(s) as the Board of Directors may in their absolute discretion deem fit for the purpose of holding and selling of such consolidated equity shares and for pro rata distribution of net proceeds of sale to shareholders entitled to the said fractional coupons**. OCIL shall on or after the Effective Date, transfer all the shares of the Transferor Company held by it (the "Trust Shares") to an individual trustee or a board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) or a corporate trustee (hereinafter referred to as the "Trustees"), to have and to hold the Trust Shares and/or the shares of the OCIL to which the Trustees become entitled to for its holding of the shares of the BCL in trust together with all additions or accretions thereto upon trust exclusively for the benefit of OCIL and its successor subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed") establishing the aforesaid trust (the "Trust").
- (v) Upon the Scheme becoming effective, BCL shall without any further act or deed, stand dissolved without winding up.
- (vi) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured and unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheet of BCL, shall become and be deemed to be the debts and liabilities, contingent liabilities, duties and obligations of OCIL.
- (vii) Upon the scheme coming into effect on the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of BCL, shall stand vested in OCIL and shall become the property and an integral part of OCIL, without any act or deed done by BCL or OCIL.
- (viii) Upon the scheme coming into effect on the Effective date and the Appointed Date, all letters of intent, contracts, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements and other of whatever nature of BCL of which it is a party or to the benefit of which it may be eligible, shall be in full force and effect against or in favour of OCIL and may be enforced as fully and effectually as if, instead of BCL, OCIL had been a party or beneficiary or obligee thereto.
- (ix) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all licenses and registration including relating to trademarks, copyrights, tenancies, privileges, powers, facilities of every kind and description and whatsoever nature of BCL to which it is a party or to the benefit of which it may be eligible, shall be enforceable as fully effectually as if, instead of BCL, OCIL had been a party or beneficiary or obligee thereto.
- (x) Upon the scheme coming into effect on the Effective date and with effect from Appointed Date, any statutory licenses, no objection certificate, permissions, registration, approvals, consents, permits, quotas, entitlements or rights required to carry on the operations of BCL or granted to BCL shall stand vested in or transferred to OCIL, without any further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned herewith in favour of OCIL upon vesting of BCL's business pursuant to the scheme. The benefit of all statutory and regularity permissions, environmental approvals and

** The Fractional coupon/proceeds shall be disbursed by the Board of Directors of OCIL in favour of shareholders entitled to such fractional coupons/ proceeds within 60 days from the date of filing the order sanctioning the Scheme of Amalgamation with the Registrar of Companies, Uttar Pradesh & Uttarakhand.

consents, including statutory licenses, permissions or approvals or consents required to carry on the operations of BCL shall vest and become available to OCIL pursuant to the scheme.

- (xi) All the equity shares of OCIL issued pursuant to the Scheme shall be listed on the said Stock Exchanges.
- (xii) With effect from the Appointed Date and upto and including the Effective Date:
 - (a) BCL shall carry on and be deemed to have been carrying on all the business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all its assets, for and on behalf of and in trust of OCIL in the ordinary course of its business.
 - (b) All profits accruing to BCL and all taxes thereof or losses arising or incurred by it shall, for all purposes, be treated as the profits, taxes or losses as the case may be, of OCIL.

17. In respect of amalgamation between BCL and OCIL, fresh equity shares of OCIL are intended to be issued to the shareholders of BCL in accordance with the Scheme of amalgamation.

The Equity Shareholders, Secured Creditors and Unsecured Creditors of OCIL are entitled to attend and vote at the respective Court convened meetings or may appoint proxy to attend and vote at the respective meetings. The instrument appointing the proxy should be deposited at the Registered office of OCIL at 8, Industrial Area, Sikandrabad – 203 205, Distt Bulandshahr, U.P. at not later than 48 (Forty Eighty) hours before the time fixed for the meeting in respect of which proxy is made. The equity shareholders, secured creditors and unsecured creditors authorizing a representative to attend the meeting on their behalf are requested to lodge with the company OCIL, a copy of the duly executed and properly filled resolution (in case of Corporates) or other documents authorising the representative to attend and vote on the scheme at the Court convened meetings. Such authorization/documents should be deposited at the Registered office of the company at 8, Industrial Area, Sikandrabad – 203 205, Distt Bulandshahr, U.P. not later than 48 (Forty Eight) hours prior to the time fixed for the respective meetings.

18. The following documents will be open for inspection by the equity shareholders/secured creditors/unsecured creditors of the company OCIL as the case may be upto the date of meeting between 10 a.m. and 5 p.m. on all working days except Saturday at the registered office of OCIL at 8, Industrial Area, Bulandshahr District, Sikandrabad- 203205, Uttar Pradesh and will also be available at the meetings.

- (i) Certified Copy of the order of the Hon'ble Court of Judicature at Allahabad dated 24th August, 2011 as corrected/modified *inter alia*, directing convening separate meeting of:-
 - (a) Equity Shareholders of OCIL;
 - (b) Secured Creditors of OCIL; and
 - (c) Unsecured Creditors of OCIL.
- (ii) Copies of Memorandum and Articles of Association of OCIL.
- (iii) Audited annual accounts of OCIL for the year ended on 31.03.2011.
- (iv) Unaudited financial results of OCIL for the quarter ended 30.06.2011.
- (v) Copy of the "No objection letters" from the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited dated 28th July 2011 and 26th July 2011 respectively.
- (vi) Copy of the proposed Scheme of Amalgamation.
- (vii) Register of Director Shareholdings of OCIL.
- (viii) Copy of Valuation Report by S.R. Dinodia & Co., dated 12th May, 2011 in respect of Share Entitlement Ratio for OCIL.

19. BCL has also filed an Application No. 427 of 2011, in this regard before Hon'ble High Court of Gujarat on 17.08.2011.

20. The following documents are available at Applicant Company's website www.orienttiles.com as per the order dated 24th August 2011 of Hon'ble Court of Judicature at Allahabad:

- (i) Copy of order of the Hon'ble High Court of judicature at Allahabad dated 24.8.2011 passed in Company Application No. 13 of 2011;
- (ii) Scheme of Amalgamation/Merger between Orient Ceramics and Industries Limited and Bell Ceramics

- Limited;
- (iii) Latest Balance Sheet of Orient Ceramics and Industries Limited as at 31.3.2011 and 31.12.2010 duly audited/ reviewed by Statutory Auditors;
 - (iv) Latest audited Balance Sheet of Bell Ceramics Limited as at 31.12.2010;
 - (v) Memorandum and Articles of Association of Orient Ceramics and Industries Limited;
 - (vi) Memorandum and Articles of Association of Bell Ceramics Limited;
 - (vii) Valuation Report for the allotment ratio of equity shares;
 - (viii) Resolutions passed at the meetings of the Board of Directors of both the Applicant Company and the Transferor Company and;
 - (ix) No objection letters from the Stock Exchanges.

For Orient Ceramics and Industries Ltd.

sd/-
Yogesh Mendiratta
Company Secretary

Dated this 01st day of September, 2011

SCHEME OF AMALGAMATION

OF

BELL CERAMICS LIMITED the Transferor Company

WITH

ORIENT CERAMICS AND INDUSTRIES LIMITED the Transferee Company

This Scheme of Arrangement is proposed for Amalgamation of Bell Ceramics Limited with Orient Ceramics and Industries Limited, pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

PREAMBLE

(A) Background and Description of the Company

1. Bell Ceramics Limited, the Transferor Company, is a Public Listed Company incorporated on 01 October, 1985, under the Companies Act, 1956. The Company's registered office is situated at Dora Village, Amod Taluka, Bharuch- 392230, Gujarat. The Transferor Company is engaged in the business of manufacture and trading of ceramic tiles and is a subsidiary of the Transferee Company. 8,244,184 equity shares constituting 67.72% of the share holding of the Transferor Company is held by the Transferee Company. Besides the existing shareholding of the Transferee Company in the Transferor Company, the Transferee Company has also contracted to purchase further 72,216 Equity Shares of the Transferor Company which belong to the erstwhile promoters of Transferor Company at an agreed price after the release of the lien on them by IDBI Bank Limited as per Share Purchase Agreement dated 20.09.2010 executed between the Transferor Company, Transferee Company and the erstwhile promoters of Transferor Company. These shares along with the existing shareholding total aggregating to 8,316,400 equity shares (68.31%) will be transferred in the manner specified in Clause 9.2 of the scheme.

The shares of the Transferor Company are listed on the Bombay Stock Exchange and National Stock Exchange.

Orient Ceramics and Industries Limited, the Transferee Company, is a Public Listed Company incorporated under the Companies Act, 1956. The Company's registered office is situated at 8, Industrial Area, Bulandshahr District, Sikandrabad- 203205, Uttar Pradesh. The Transferee Company is engaged in the business of manufacture and trading of ceramic tiles. The shares of the Transferee Company are listed on the Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange. The Transferee Company has applied to Calcutta Stock Exchange for Voluntary Delisting of its Equity Shares and the confirmation of Voluntary Delisting from the Calcutta Stock Exchange is awaited.

(B) Purpose of the Scheme

1. This scheme of Amalgamation is presented under Section 391 to Section 394 of the Companies Act, 1956 for the Amalgamation of Transferor Company with the Transferee Company and consequent issue of shares by the Transferee Company to the shareholders of the Transferor Company.
2. This scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(C) Rationale of the Scheme

The amalgamation of the Transferor Company with the Transferee Company would, *inter alia*, have the following benefits:

- a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholders' value, and will improve the competitive position of the combined entity.
- b) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholders' value.
- c) Improved organizational capability and leadership, arising from the pooling of human capital, who have diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- d) Benefit of operational synergies to the combined entity in areas such as crude sourcing, product placement, freight optimization and logistics, which can be put to the best advantage of the stakeholders.
- e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, improved procurement, and the elimination of duplication, and rationalization of administrative expenses.
- f) Strengthened leadership in the industry, in terms of the asset base, revenues, product range, production volumes and market share of the combined entity. The amalgamated entity will have the ability to leverage on its large asset base, diverse range of products and services, and vast pool of intellectual capital, to enhance shareholder's value.

In view of the aforesaid, the Board of Directors of **BELL CERAMICS LIMITED (hereinafter referred as "BCL")** as well as the Board of Directors of **ORIENT CERAMICS AND INDUSTRIES LIMITED (hereinafter referred as "OCL")** have considered and proposed the amalgamation of the entire undertaking and business of BCL with OCL in order to benefit the stakeholders of the Companies. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of BCL with and into OCL pursuant to the provisions of Section 391 to Section 394 and other relevant provisions of the Act.

(D) **Parts of the Scheme**

The scheme is divided into the following parts:

- (a) **PART I** deals with the Definitions and Share Capital;
- (b) **PART II** deals with the Amalgamation of the Transferor Company;
- (c) **PART III** deals with the Alteration of Memorandum and Articles of Association
- (d) **PART IV** deals with General Terms and Conditions and
- (e) **PART V** deals with Other Terms & Conditions.

PART I DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereinafter), unless repugnant to the context or meaning thereof, the following expressions shall have the meanings as under:-

- 1.1 "**The Act**" means the Companies Act, 1956, and shall include any statutory modification, re-enactment or amendments thereof for the time being in force.
- 1.2 "**The Appointed Date**" means for the purpose of amalgamation of Transferor Company and Transferee Company, 1st Jan 2011, or such other date as the Hon'ble High Courts of Allahabad and Gujarat may direct or approve.
- 1.3 "**Board of Directors**" shall have the same meaning as under the Act.
- 1.4 "**The Effective Date**" shall mean the date or the last of the dates when the certified copies of the orders of the Hon'ble High Courts of Allahabad and Gujarat are filed with the respective Registrar of Companies, Gujarat and

Uttar Pradesh by the Transferor Company and the Transferee Company.

Reference in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” shall mean the Effective Date.

- 1.5 “**High Courts**” means the Hon’ble High Courts of Allahabad and Gujarat respectively.
- 1.6 “**Liabilities**” shall have the meaning ascribed to it in Clause 3.2.6 of Part II.
- 1.7 “**Scheme**” or “**Scheme of Amalgamation**” means this scheme of Amalgamation, which provides for the amalgamation of BCL with OCL, in its present form or with any modification(s) approved or directed by the Members or Board of Directors of any of the companies and/or by the Courts and/or by any other authority.
- 1.8 “**The Transferor Company**” means **Bell Ceramics Ltd.**, a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office situated at Dora Village, Amod Taluka, Bharuch-392230, Gujarat.
- 1.9 “**The Transferee Company**” means **Orient Ceramics and Industries Ltd.**, a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office situated at 8, Industrial Area, Bulandshahr District, Sikandrabad- 203205, Uttar Pradesh.
- 1.10 “**Undertaking**” shall mean the entire business of the Transferor Company on a going concern basis, consisting, *inter alia*, of:
- 1.10.1 all assets (including but not limited to all lands and buildings) and properties including the right to use such assets and properties, wherever situated, whether moveable or immoveable, tangible or intangible, leasehold or freehold, including all capital work in progress, land, buildings, investments of all kinds, plant & machinery, equipment, trademarks, trade names, rights, patents and other intellectual properties, vehicles, furniture, fixtures, office equipments, installations, appliances and accessories and current assets (including cash and bank balances, deposits, inventories, sundry debtors, bills of exchange, loans and advances etc.);
- List of all land and buildings is included as per **Annexure A**
- 1.10.2 all present and future liabilities, debts, duties, outstandings, payables including contingent liabilities and shall include any obligations arising there from; and
- 1.10.3 all records, files, papers, information, computer programmes, softwares, manuals, data, and other records whether in physical or electronic form.
- 1.11 Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed.

2. SHARE CAPITAL

- 2.1 The share capital structure of Transferor Company (BCL) as on 31 December 2010 is as under:

Particulars	Amount (Rs.) (In Lacs)
Authorised: 25,000,000 Equity Shares of Rs.10/- each	2500.00
15,000,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10/- each	1500.00
Total	4000.00
Issued, Subscribed & Paid-Up 12,173,807 Equity Shares of Rs.10/- each fully paid up out	1217.38
TOTAL	1217.38

The equity shares of the Transferor Company are listed on the Bombay Stock Exchange and National Stock Exchange.

2.2 The share capital structure of the Transferee Company (OCL) as on 31 December 2010 is as under:

Particulars	Amount (Rs.) (In Lacs)
Authorised: 15,000,000 Equity Shares of Rs. 10/- each	1500.00
Issued, Subscribed & Paid-Up 10,530,000 Equity Shares of Rs. 10/- each fully paid up	1053.00

The Equity shares of the Transferee Company are Listed on the Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange. The Transferee Company has applied to Calcutta Stock exchange for Voluntary Delisting of its Equity Shares and the confirmation of Voluntary Delisting from the Calcutta Stock Exchange is awaited.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

3. TRANSFER AND VESTING OF PROPERTIES, ASSETS AND LIABILITIES

3.1 With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of the Transferor Company shall, in terms of Sections 391 and 394 and other applicable provisions, if any, of the Act, and pursuant to the orders of the High Court of Allahabad and Gujarat or other appropriate authority, if any, sanctioning the Scheme, without any further act, deed, matter or thing, stand transferred at their respective book values to and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the properties and liabilities of the Transferee Company within the meaning of Section 2(1B) of the Income-tax Act, 1961.

3.2 Without prejudice to the generality of the above clause:

3.2.1 With effect from the Appointed Date, all the assets, rights and properties of the Transferor Company (whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present and future, existing or contingent) of whatsoever nature and where ever situated, of or belonging to or in the possession or control of, the Transferor Company or to which the Transferor Company may be entitled as on the Appointed Date, including but not limited to data processing equipments, computers and servers, computer software, investments land and building, plant and machinery, vehicles, furniture and fixtures, office equipments, electrical installations, telephones, telex, facsimile, other communication facilities, lease, tenancy rights in relation to properties, Minimum Alternate Tax Credit, any trademark, copyright, secret knowledge or information, technical know-how or any other intellectual property rights, permits quotas, approvals, actionable claims, all rights / title or interest in property(s) by virtue of any court order / decree, contractual arrangement, allotment, grant, possession or otherwise, memorandum of understanding, hire purchase contracts, lending contracts, permissions, incentives, contracts, registrations, engagements, arrangements of all kinds, rights, titles, interests, benefits and advantages of whatsoever nature and where so ever 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 the Transferor Company, statutory/regulatory licenses, and other licenses, bids, tenders, municipal and other statutory permissions, approvals including but not limited to right to use and avail electricity connections, water connections, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, all records, books, files, papers engineering and process information, computer programs, manuals, data catalogues, domain names, quotations and all other rights, title, interest, privileges, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever, shall under the provisions of Sections 391 to 394 of the Act and other applicable provisions and pursuant to the orders of the High Courts or any other appropriate authority sanctioning this Scheme and without further act, instrument, deed or

thing, but subject to the charges, if any affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.

- 3.2.2 In respect of all the movable assets (including investment in shares and mutual funds) owned by the Transferor Company as on the Effective Date and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery or novation, including cash in hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.
- 3.2.3 In respect of the movable assets owned by the Transferor Company as on the Effective Date, other than those mentioned in Clause 3.2.2 above, including actionable claims, sundry debtors, outstanding loans, advances, whether recoverable in cash or kind or for value to be received and deposits, if any with the local and other authorities, body corporate(s), customers etc, the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Courts or other appropriate authority, having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 3.2.4 All taxes of any nature, duties, cases or any other like payments or deductions made by the Transferor Company to any statutory authorities such as Income Tax (including Advance tax and Minimum Alternate Tax Credit), Service Tax, Customs Duty, VAT etc. or any tax deducted / collected at source, relating to the period after the Appointed Date and up to the Effective Date shall be deemed to have been made on account of or on behalf of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the order on this Scheme by the High Courts or any other appropriate authority and upon relevant proof and documents being provided to the said authorities to this effect. Further, brought forward tax losses and unabsorbed depreciation of the Transferee Company in terms of the provisions of Section 72A of the Income-Tax Act, 1961 shall be allowable for set off against the profits of the Transferee Company subject to fulfillment of the conditions prescribed therein.
- 3.2.5 All cheques and other negotiable instruments and payment orders received in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment between the Appointed Date and the Effective Date and presented after the Effective Date.
- 3.2.6 With effect from the Appointed Date, all debts (whether in Rupee or Foreign currency), liabilities (including contingent liabilities), guarantees, bonds given to the custom authorities or any other person or statutory authorities, duties and obligations of every kind, nature and description of the Transferor Company shall be deemed to have been transferred to the Transferee Company and to the extent they are outstanding on the Effective Date shall, without any further act, deed, matter or thing be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall undertake to meet, discharge and satisfy the same and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, guarantee(s) and obligations have arisen in order to give effect to the provisions of this Clause.
- 3.2.7 Where any of the debts (whether in rupee or in foreign currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company as on the Appointed Date, deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and the Effective Date, such discharge shall be deemed to have been discharged for and on account of the Transferee Company, and all loans, advances (including any guarantees, letter of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) raised and used and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act, deed, matter or thing stand

transferred to the Transferee Company and become the liabilities and obligations of the Transferee Company, which shall undertake to meet, discharge and satisfy the same and 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 loans and liabilities have arisen in order to give effect to the provisions of this Clause.

- 3.2.8 All the licenses, essentiality certificates, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, refund of monies, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed by or conferred upon or held or availed of by and all rights and benefits that have accrued or which may accrue to the Transferor Company 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 Transferee Company so as to become as and from the Appointed Date the licenses, essentiality certificates, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law.
- 3.2.9 All estates, assets, rights, title, interests, licenses (essentially certificates and authorities acquired by or permits) and authorities accrued to and/or acquired by the Transferor Company in relation to or in connection with its business on or after the Appointed Date and prior to the Effective Date shall deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, rights, title, interests and authorities of the Transferee Company.
- 3.2.10 To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 3.2.11 For the purpose of giving effect to the amalgamation order passed under Sections 391 and 394 of the Act in respect of this Scheme by the Hon'ble High Courts, the Transferee Company shall, at any time pursuant to the order on this Scheme, be entitled to get the record of the change in the legal right(s) upon the amalgamation of the Transferor Company in accordance with the provisions of Sections 391 and 394 of the Act. The Transferee Company shall be authorized to execute any pleadings, applications, forms etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.
- 3.2.12 All patents, trademarks, copyrights and other intellectual property rights registered with the authorities concerned or applications submitted at any time on or before the Effective Date in respect of the Transferor company shall stand transferred and vested in the name of Transferee Company without any further act or deed. The Transferee Company however shall after the scheme becoming effective file the relevant intimation with the concerned statutory authority(s) who shall take them on record pursuant to vesting orders of the sanctioning authority.

4. GENERAL ACCOUNTING TREATMENT

Upon the Scheme becoming effective, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per the "Pooling of Interest Method" provided under Accounting Standard 14 issued by the Institute of Chartered Accountants of India such that:

- 4.1 The Transferee Company shall, with effect from the Appointed Date and upon the Scheme coming into effect, record all the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme, at the respective book values thereof and in the same form as appearing in the books of the Transferor Company at the close of business of the day immediately preceding the Appointed Date.
- 4.2 In case of any difference in the accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the profit and loss of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the

basis of consistent accounting policy.

- 4.3 The loans and advances or payables or receivables of any kind, held *inter-se*, if any, between the Transferee Company and the Transferor Company *inter-se* as appearing in their respective books of accounts shall stand cancelled as on the Appointed Date.
- 4.4 The amount by which the aggregate of book value of assets of the Transferor Company vested in the Transferee Company as per Clause 4.1 above exceeds, the aggregate of book value of liabilities, reserves shall be credited to amalgamation reserve account of the Transferee Company. A copy of the consolidated balance sheet of the Transferor and Transferee Companies on the scheme being Effective is annexed hereto and marked as **Annexure – B**.
- 4.5 The accounting treatment save as otherwise mentioned in Part II of this Scheme, shall be in accordance with the generally accepted accounting principles and applicable accounting standards prescribed by the ICAI laid out in this behalf and the provisions of the Act.
- 4.6 In case of any difference in accounting policies between Transferor Company and Transferee Company, the impact of such differences shall be quantified and adjusted as the Board of Directors of the Transferee Company deem fit to ensure that the true financial statements of Transferee Company on the Effective Date are on the basis of consistent accounting policies.

5. CONTRACTS, DEEDS, RESOLUTIONS ETC.

- 5.1 Upon the coming into effect of this scheme, subject to the other provisions of this Scheme, all contracts, memorandum of understandings, tenders, bid documents, expressions of interest, deeds, bonds, agreements and other instruments of whatsoever nature ("Contracts") to which the Transferor Company is a party, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.
- 5.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme, all consents, permissions, registrations, and other licences, certificates, clearances, authorities, guarantee(s), bonds, power of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the Governmental / Statutory/Regulatory Authorities as may be necessary in this behalf.
- 5.3 Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions has upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

6. LEGAL PROCEEDINGS

- 6.1 All legal proceedings of whatever nature by or against the Transferor Company, if pending, on the Effective Date, shall not abate, be discontinued or be in any way prejudicially affected by reason of the vesting of the Transferor Company in the Transferee Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- 6.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 6.1 above, transferred in its name and to have the same continued, prosecuted

and enforced by or against the Transferee Company, to the exclusion of the Transferor Company.

7. EMPLOYEES

- 7.1 On the Scheme becoming effective, all employees of the Transferor Company, if any, who are in service on the date immediately preceding the Effective Date shall become the employees of the Transferee Company, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retirement benefit/ compensation, such immediate uninterrupted past services with the Transferor Company shall also be taken into account. The Transferee Company undertakes to continue to abide by the terms of agreement/ settlement entered into by the Transferor Company with employees' union / employee or associations of the Transferor Company.
- 7.2 Further, it is expressly provided that, on the Scheme becoming effective, the existing provident fund, gratuity fund and superannuation fund and/or schemes and trusts, if any, created or existing for the benefits of the employees of the Transferor Company, for all purposes whatsoever in relation to the administration or operation of such funds/trusts/schemes or in relation to the obligation to make contributions to the said funds/trusts/schemes in accordance with the provisions thereof as per the terms provided in the agreements/deeds governing such funds/trusts/schemes, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such funds/trusts/schemes shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the said funds/trusts/schemes.

8. SAVING OF CONCLUDED TRANSACTIONS

The transfer of the Undertaking of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or after the Appointed Date till the Effective Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done, executed for and on behalf of the Transferor Company as acts, deeds and things done, executed for and on behalf of the Transferee Company.

9. REORGANIZATION OF CAPITAL – ISSUE OF SHARES

- 9.1 The provisions of this Section shall operate notwithstanding anything to the contrary in this Scheme.
- 9.2 Upon the transfer of the Undertakings of the Transferor Company pursuant to clause 3 hereinabove and the amalgamation becoming effective in terms of this Scheme:-
- i. The Transferee Company shall issue at par and allot to all the equity shareholders of Transferor Company in the Transferee Company, equity shares in the proportion of one equity share of the face value of Rs. 10/- each of the Transferee Company credited as fully paid up in lieu of four equity shares of the face value of Rs. 10/- each fully paid up held by the equity shareholders of the Transferor Company on such date (record date) after the Transfer Date as the Board of Directors of the Transferee Company may determine.
 - ii. As a result of the allotment in the manner specified hereinabove, if any equity shareholder of the Transferor Company becomes entitled to any fractional coupon/s of equity shares of the Transferee Company no such fractional coupon(s) shall be issued in respect of or representing such equity shares of the Transferee Company but such fractional coupon(s) shall be consolidated into whole equity shares of Rs 10/- (ten) each and the Board of Directors of the Transferee Company may allot any one or more of such consolidated shares to any nominee(s) as the Board of Directors may in their absolute discretion deem fit for the purpose of holding and selling of such consolidated equity shares and for pro rata distribution of net proceeds of sale to shareholders entitled to said fractional coupons.
 - iii. The Transferee Company shall on or after the Effective Date, transfer all the shares of the Transferor Company held by it (the "Trust Shares") to an individual trustee or a board of trustees (including the

survivors or survivor of any of the trustees comprising such board of trustees) or a corporate trustee (hereinafter referred to as the "Trustees"), to have and to hold the Trust Shares and/or the shares of the Transferee Company to which the Trustees become entitled to for its holding of the shares of the Transferor Company in trust together with all additions or accretions thereto upon trust exclusively for the benefit of Transferee Company and its successor subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed") establishing the aforesaid trust (the "Trust").

- iv. The constitution of the Trust, and the functions and powers of the Trustee shall be set forth in the Trust Deed. The obligations of the Trustees shall stand discharged and the Trust shall stand terminated in accordance with the provisions of the Trust Deed. For the purpose of this clause, it is hereby clarified that the procedural requirements of the Act, including the passing of resolutions by the Board of Directors, need not be separately complied with/obtained and the required consents shall be deemed to have been given on the sanction of this Scheme.
- v. Equity shares so allotted by the Transferee Company to the member of the Transferor Company will in all respects rank *pari-passu* with the existing equity shares of the Transferee Company for dividend and voting rights. Save and except that the owners of such equity shares shall only be entitled to dividend, if any, to be declared by the Transferee Company after the date of allotment of Transferee Company's shares.
- vi. All equity shareholders of the Transferor Company whose names appear in the register of equity shareholders of the Transferor Company on such date after the Effective Date as the Board of Directors may determine, shall surrender to the Transferee Company for cancellation of their share certificate in respect of the equity shares held, in physical form of the Transferor Company and shares held in dematerialized form shall get extinguished.

- 9.3 In consideration of this Scheme and as an integral part thereof, the share capital of the Transferee Company shall be restructured and reorganized in the manner set out herein below:

Particulars	Amount (Rs.) (In Lacs)
Authorised:	
15,000,000 Equity Shares of Rs. 10/- each(OCL)	1500.00
25,000,000 Equity Shares of Rs.10/-each (BCL)	2500.00
15,000,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10/- each (BCL)	1500.00
Total	5500.00
Issued, Subscribed & Paid-Up	
10,530,000 Equity Shares of Rs. 10/- each fully paid up(OCL)	1053.00
3,043,451 Equity Shares of Rs. 10/- each fully paid up(New shares to be issued on amalgamation)	304.35
Total	1357.35

- 9.4 Unless otherwise determined by the board of directors or any committee thereof of the Transferor Company and the board of directors or any committee thereof of the Transferee Company, issuance of the shares in terms of clause 9.2 above shall be completed within 90 days from the effective date.

10. INCREASE IN AUTHORIZED SHARE CAPITAL

- 10.1 Upon the coming into effect of this Scheme, the authorized Share Capital of the Transferee Company shall automatically stand increased without any further act, deed or thing on the part of the Transferee Company including payment of stamp duty and fees, if any payable to the concerned Registrar of Companies under the Companies Act, 1956, by the authorized share capital of the Transferor Company amounting to

Rs. 55,00,00,000/-, which would be reorganized in the following manner:

Particulars	Amount (Rs.) (In Lacs)
Authorised:	
15,000,000 Equity Shares of Rs. 10/- each (OCL)	1500.00
25,000,000 Equity Shares of Rs.10/-each (BCL)	2500.00
15,000,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10/- each (BCL)	1500.00
Total	5500.00

Consequent to the above, Clause 5 of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and shall stand altered, modified and amended pursuant to Sections 16, 31, 94, 394 and other applicable provisions of the Act, as the case may be in the manner set out below and be replaced by the following clause:

“5. The Authorized Share Capital of the Company is Rs. 550,000,000/- (Rs. Fifty Five Crores only) divided into 40,000,000 Equity Shares of Rs. 10/- each and 15,000,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10/- each with power to the Company to increase or reduce the capital and to divide the shares in the capital for the time being into several classes (being those specified in the Companies Act, 1956) and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, enlarge or abrogate any such rights, privileges or conditions in such manner as may be permitted by the said Act or provide by the Articles of Association of the Company.”

PART III

ALTERATION TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

11. ALTERATION IN THE MEMORANDUM & ARTICLES OF ASSOCIATION

11.1 On this Scheme becoming operative, the Authorised Share Capital of the Transferor Company shall be combined with the Authorised Share Capital of the Transferee Company without payment of any additional fee. Further, if required, the Transferee Company shall take necessary steps to further increase and alter its Authorised Share Capital suitably. Upon the coming into effect of this Scheme, Clause 5 of the Memorandum of Association of the Transferee Company (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended (relevant part) pursuant to Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

“5. The Authorized Share Capital of the Company is Rs. 550,000,000/- (Rs. Fifty Five Crores only) divided into 40,000,000 Equity Shares of Rs. 10/- each and 15,000,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10/- each with power to the Company to increase or reduce the capital and to divide the shares in the capital for the time being into several classes (being those specified in the Companies Act, 1956) and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, enlarge or abrogate any such rights, privileges or conditions in such manner as may be permitted by the said Act or provide by the Articles of Association of the Company.”

11.2 As an integral part of the Scheme and upon the coming into effect of this Scheme, Article 3 of the Articles of Association of the Transferee Company shall stand amended (without any further act, deed, permission and/or compliances, in accordance with this Scheme), and be replaced as under:

“3. The Authorized Share Capital of the Company is Rs. 550,000,000/- (Rs. Fifty Five Crores only) divided into 40,000,000 Equity Shares of Rs. 10/- each and 15,000,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10/- each with power to the Company to increase or reduce the capital and to divide the shares in the capital for the time being into several classes (being those specified in the Companies Act, 1956) and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, enlarge or abrogate any such rights, privileges or conditions in such manner as may be permitted by the said Act or provide by the Articles of Association of the Company.”

- 11.3 The approval of the Scheme by the shareholders of the Transferee Company and the High Courts or any other appropriate authority, shall be deemed to be due compliance with the provisions of Section 31 and other relevant and applicable provisions, if any of the Act for change in the Articles of Association of the Transferee Company, as provided in this Scheme. Further, the Transferee Company agrees to undertake steps, if any required to give effect to the amendment as above in the Articles of Association of the Transferee Company in the records of the Registrar of Companies, U.P. or any other applicable authority.

PART – IV GENERAL TERMS & CONDITIONS

12. CONDUCT OF THE BUSINESS AS AND FROM THE APPOINTED DATE TILL EFFECTIVE DATE –

- 12.1 The Transferee Company undertakes to preserve and carry on the business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any of its properties, assets and liabilities or any of its properties, assets and liabilities or any part thereof save and except in each case:
- (a). if the same is in its ordinary course of business; or
 - (b). if the same is expressly permitted by this Scheme; or
 - (c). if the prior written consent of the Board of Directors of the Transferee Company has been obtained.
- 12.2 The Transferor Company with effect from the Appointed Date and up to and including the Effective Date:
- (i) shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Transferor Company on account of, and for the benefit of and in trust for the Transferee Company.
 - (ii) all the profits or incomes accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including but not limited to the effect of advance tax, tax deducted at source, Minimum Alternate Tax credit, taxes withheld/paid in a foreign country, etc.), thereon by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or effect of taxes as the case may be, of the Transferee Company.
 - (iii) Any of the rights, powers, authorities, privileges, attached, related or pertaining to or exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company, for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties, commitments attached, related or pertaining to the Transferor Company that have been undertaken or discharged by the Transferor Company, shall be deemed to have been undertaken for and on behalf of and in trust for and as an agent for the Transferee Company.
- 12.3 As and from the Appointed Date and till the Effective Date:
- 12.3.1 All assets and properties which are acquired by the Transferor Company on or after the Appointed Date, in accordance with the Scheme, shall be deemed to be the assets and properties of the Transferee Company.
 - 12.3.2. All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations which arise or accrue to the Transferor Company on or after the Appointed Date in accordance with this Scheme, shall be deemed to be debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferee Company.
- 12.4 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business of the Transferor Company.
- 12.5 The Transferee Company shall be entitled to file/ revise its tax returns, TDS certificates, TDS returns and other statutory returns, if required and shall have the right to claim refund/ credits and/ or set off all amounts paid by the Transferor Company or the Transferee Company under the relevant income tax, sales tax, service tax or any other tax laws, whether or not arising due to any inter-company deals that may occur between the Appointed Date and the Effective Date. The right to make such revisions in the tax returns and to claim refunds/credits is expressly reserved in favor of the Transferee Company.
- 12.6 The Transferee Company shall not vary terms and conditions of service of its employees except in the ordinary course of its business.

13. DIVIDENDS, PROFITS, BONUS/RIGHTS SHARES

- 13.1 The Transferor Company shall not utilize the profits or income, if any, for the purpose of declaring or paying any

dividend (whether interim or final) or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Transferee Company.

- 13.2 The Transferee Company shall not issue or allot after the Appointed Date or the date of this Scheme being sanctioned by the Board of Directors, whichever is later, any rights shares, bonus shares, etc. without the prior consent of the Board of Directors of the Transferee Company.
- 13.3 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity shareholders in respect of the accounting period prior to the Effective Date. Provided that the equity shareholders of the Transferor Company shall not be entitled to dividend, if any, declared and paid by the Transferee Company to its equity shareholders for the accounting period prior to the Appointed Date.
- 13.4 The holders of the equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in the Scheme continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

14. DISSOLUTION OF THE TRANSFEROR COMPANY

On the scheme becoming effective, the Transferor Company shall be dissolved without any further act, deed or instrument, without going through the process of winding up and shall be succeeded by the Transferee Company.

15. APPLICATION TO HIGH COURTS

The Transferor Company and the Transferee Company shall make necessary applications under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act to the Hon'ble High Courts of Allahabad and Gujarat for sanction of this Scheme and for the consequent dissolution without winding up of the Transferor Company.

16. MODIFICATION OR AMENDMENT TO THE SCHEME

The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this scheme or to any conditions or limitations which either the board of directors of the Transferee Company and the Transferor Company deem fit or which the High Courts of Allahabad and Gujarat or any other authorities under law may deem fit to approve or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and resolve all doubts or difficulties that may arise in carrying out and implementing the scheme.

17. SCHEME CONDITIONAL UPON AND SUBJECT TO

- 17.1 The Scheme being agreed to by the respective requisite majorities of the members, secured and unsecured creditors of both, the Transferor Company and Transferee Company, as may be required by the Hon'ble High Courts either at a meeting or through consent/ No-objection Letters on the application made for direction under Section 391 of the Act for calling/ dispensing of a meeting and necessary resolution if any, been passed under the Act for the purpose.
- 17.2 Sanction of the Hon'ble High Courts of Allahabad and Gujarat under section 391 and 394 of the Act and necessary order or orders under section 394 of the Act being obtained.
- 17.3 Such other sanction and approvals as may be required by law in respect of the Scheme being obtained.
- 17.4 This Scheme, although to come into operation from the Appointed Date, shall not become effective until the date on which the certified copies of the orders of the Hon'ble High Courts under Sections 391 and 394 of the Act are duly filed with the offices of the respective Registrar of Companies, where both the Transferor Company and the Transferee Company are registered.

PART V OTHER TERMS AND CONDITIONS

18. APPROVALS AND MODIFICATIONS

- 18.1 The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which either the Board of Directors or a committee or committees of the concerned Board of Directors authorized in that behalf by the concerned Board of Directors (hereinafter referred to as the "Delegates") of the Transferor

Company and the Transferee Company deem fit, or which the High Courts of Allahabad and Gujarat or any other authorities under law may deem fit to approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing this Scheme into effect.

18.2 In the event that the Transferor Company or the Transferee Company may find any of the modifications or conditions which may be imposed by the Courts or other authorities unacceptable for any reason, then the Transferor Company and the Transferee Company are at liberty to withdraw the Scheme. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by the Delegates of the respective Company.

18.3 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Transferor Company and the Transferee Company or their Delegates may give and are authorized to determine and give all such directions as may be necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

19. CONSENT OF MEMBERS AND DIRECTORS

19.1 On the approval of the scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to section 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under section 31 and any other provisions of the Act to the extent the same may be considered applicable.

19.2 The directors of each of the Transferee Company and the Transferor Company may be deemed to be concerned and/or interested in the scheme to the extent of their shareholding in the company, or to the extent the said directors are common directors in the company, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in the company.

19.3 The scheme will have no effect on the interest of the directors except in their capacity as shareholders. The particulars of the interest of directors are available for inspection at the respective registered offices of the transferee and the transferor company.

19.4 In the event of any of the approvals or conditions required to be obtained or fulfilled are not obtained or complied with on or before 1st day of January, 2011 or within such further period or periods as may be agreed upon by and between the Transferor Company and the Transferee Company (through their respective Board of Directors) the Scheme shall stand revoked, cancelled, and be of no effect and become null and void and in that event no rights or liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Company and the Transferee Company and in such event, each party shall bear their respective costs, charges and expenses in connection with the Scheme.

20. COST, CHARGES & EXPENSES

20.1 All costs, charges and expenses, including any taxes and duties of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion and implementation of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

20.2 The Transferor Company and the Transferee Company shall also take all such other steps as may be necessary or expedient to give full and formal effect to and implement the provisions of this Scheme.

20.3 In the event of non-fulfillment of any or all obligations under this Scheme by any party towards any other party, inter-se or to third parties and non-performance of which will place the other party under any obligation, then such defaulting party will indemnify all costs and interest to such other affected party.

ANNEXURE - A

List of Immovable Properties, owned and/or taken on lease by the company

I	IMMOVABLE PROPERTIES AT GUJARAT PLANT OF THE COMPANY		
A	LAND		
A (i)	<p>Freehold land Revenue Survey No: 461 A+B+C, 461 E, 514, 515,516, 517 & 536 at Village Dora, Taluka Amod, Dist Bharuch , Gujarat</p> <p>Utilization : The Land is utilized for manufacturing of Flooring and Wall Ceramic Glaze Tiles.</p> <p>Orientation East : Revenue Survey No. 468 & 469 West : Revenue Survey No. 520, 518, 529 North : Revenue Survey No. 513 South : Revenue Survey No. 439, 538, 537</p>		1,05,731 Sq. Mtrs. of Land
A (ii)	<p>Leasehold Land Revenue Survey No: 461/P at Village Dora, Taluka Amod, Dist Bharuch , Gujarat</p> <p>Utilization: The Land has been utilized for construction of Guest House and Staff Quarters.</p> <p>Orientation East : Revenue Survey No. 459 West : Road North : Revenue Survey No. 454 South : Revenue Survey No. 700</p>		11634 Sq. Mtrs.
B	Buildings		
B (i)	<p>FACTORY AND OTHER BUILDING AT VILLAGE DORA , TAL AMOD, DIST BHARUCH, GUJARAT PLANT (on freehold land)</p> <p>Glaze Line 5, 4, 3 Area Kiln No. 4 Area Dryer & Rail Line Area Floor Tile Press 3, 4, 5, Area GTG Area Wall tile press 1, 2 Glaze Line 1 & 2 2 A Area Siti Spray Dryer Area Kiln 1 & Kiln 2 Area Squarring Area Compressor Room Mojj Spray Drier Area Stores Area Ball Mill Building Batch Weigh No. 2 Shed</p>	<p>1987</p> <p>1991</p> <p>1987</p> <p>1987</p> <p>1991</p> <p>1991</p> <p>1991</p> <p>2004</p> <p>1991</p> <p>1997</p> <p>1997</p>	<p>6480 Sq. Mtrs.</p> <p>1050 Sq. Mtrs.</p> <p>324 Sq. Mtrs.</p> <p>1512 Sq. Mtrs.</p> <p>3888 Sq. Mtrs.</p> <p>1404 Sq. Mtrs.</p> <p>108 Sq. Mtrs.</p> <p>1296 Sq. Mtrs.</p> <p>648 Sq. Mtrs.</p> <p>1620 Sq. Mtrs.</p> <p>360 Sq. Mtrs.</p>

		Year	Area
	<u>Other Production Building</u> Frit Plant Die Shop Block Quality & Laboratory Building	1991 1987 1987	648 Sq. Mtrs. 342 Sq. Mtrs. 342 Sq. Mtrs.
	<u>Utility Building</u> Water Pump Room Electrical Sub Station Gas Generator Room Weigh Bridge Block LPG Yard (Platform)	1987 1987 2004 1987 1987	123 Sq. Mtrs. 270 Sq. Mtrs. 108 Sq. Mtrs. 9 Sq. Mtrs. 5250 Sq. Mtrs.
	<u>Raw Material Storage Building</u> Raw Material shed for Minerals Raw Material shed for Basic Clay Raw Material Platform	1987 1991 1994	1296 Sq. Mtrs. 2160 Sq. Mtrs. 2493 Sq. Mtrs.
	<u>Warehouse Finished Good Building</u> Ware House No. 1 Ware House No. 1 - Tarpaulin Shed Platform RCC structure Ware House No. 2 - Tarpaulin Shed Platform RCC structure Ware House No. 3 - Tarpaulin Shed Platform RCC structure	1987 1987 1987 1987	3081 Sq. Mtrs. 711 Sq. Mtrs. 1684.8 Sq. Mtrs. 1125.2 Sq. Mtrs.
	<u>Other Buildings</u> Learning Centre Block Showroom Area Administrative Block Security Office Locker & Toilet Block Canteen Block	1987 1987 1987 1987 1987 1987	342 Sq. Mtrs. 342 Sq. Mtrs. 342 Sq. Mtrs. 96 Sq. Mtrs. 96 Sq. Mtrs. 192 Sq. Mtrs. 39743 Sq. Mtrs.
B (II)	BUILDING ON THE LEASEHOLD LAND AT VILLAGE DORA, TAL AMOD, DIST BHARUCH, GUJARAT Guest House Building (Executive) Staff Quarters - 8 Blocks Workers Quarters Gas Metering Station	2001 2001 2001 1987	360 Sq. Mtrs. 342 Sq. Mtrs. 342 Sq. Mtrs. 360 Sq. Mtrs.

C	Staff Housing colony AT Village Karjan, Dist Baroda , GUJARAT –	Year	Area
C(i)	<p>It is Ground + First Floor Residential Plot No. 5, 6, 7, 8, 9, 10, 11, 12, Sona Nagar, Karjan – Padra Road of Village Karjan.</p> <p>Revenue Survey No. 855 of Village Karjan, Dist. Vadodara</p> <p>Freehold</p> <p>The built up area of the residential Blocks as under: Ground floor 4411 Sq feet First floor 4411 sq ft Total 8822 sq feet</p>		<p>Total Land Area 11055 Sq. Ft. (1027.46 Sq. Mtrs.)</p>
C(ii)	<p>It is Ground + First Floor Residential Plot No. 23, 24, 25, 26, 27, 28, 29, 30 at Sona Nagar, Karjan – Padra Road of Village Karjan.</p> <p>Revenue Survey No. 855 of Village Karjan, Dist. Vadodara</p> <p>Freehold</p> <p>The built up area of the residential Blocks as under: Ground floor 4411 Sq feet First floor 4411 sq ft Total 8822 sq feet</p>		<p>Total Land Area 9748 Sq. Ft. (905.97 Sq. Mtrs.)</p>
D	<p>OFFICE PREMISES AT Vadodara, Gujarat- corporate office</p> <p>Office No. 78, 79 & 80, 2nd Floor, Surya Kiran Complex, Old Padra Road area of Vadodara</p> <p>Revenue Survey No 156/1 and 156/2, Final Plot No. 3, T. P. Scheme No. 15 of Village, Akota, Vadodara City</p> <p>Free-hold.</p> <p>The property in question is a Commercial Office No. 78, 79 & 80, 2nd Floor, Surya Kiran Complex, Old Padra Road, Vadodara. The built up area of the Office No. 78 is 1085 Sq. Ft., Office No. 79 is 1085 Sq. Ft., Office No. 80 is 1300 Sq. Ft. in size which Total 3470 Sq feet</p>		<p>3470 Sq. Ft. (322.49 Sq. Mtrs.) (super built-up)</p>
E	RESIDENTIAL FLAT AT BARODA, GUJARAT		
E(i)	<p>Ownership Flat in E-5, Nand Co-Operative Housing Society Limited, Near Orchid Bungalows, Behind Aims Oxygen, Old Padra Road, Vadodara.</p> <p>Revenue Survey No. 392, 415, 416 & 417/1, Final Plot No. 84, 93 & 94 T. P. Scheme No. 20 of Village Atladra, Vadodara City</p>		<p>980 Sq. Ft. (super built-up)</p>
E(ii)	<p>Ownership Flat in C-7, Nand Co-Operative Housing Society Limited, Near Orchid Bungalows, Behind Aims Oxygen, Old Padra Road, Vadodara</p> <p>Revenue Survey No. 392, 415, 416 & 417/1, Final Plot No. 84, 93 & 94 T. P. Scheme No. 20 of Village Atladra, Vadodara City.</p>		<p>1165 Sq. Ft. (super built-up)</p>
E(iii)	<p>Ownership Flat in C-9, Nand Co-Operative Housing Society Limited, Near Orchid Bungalows, Behind Aims Oxygen, Old Padra Road, Vadodara</p> <p>Revenue Survey No. 392, 415, 416 & 417/1, Final Plot No. 84, 93 & 94 T. P. Scheme No. 20 of Village Atladra, Vadodara City.</p>		<p>960 Sq. Ft (super built-up)</p>

		Year	Area
E(iv)	<p>Ownership Flat in B-9, Nand Co-Operative Housing Society Limited, Near Orchid Bungalows, Behind Aims Oxygen, Old Padra Road, Vadodara</p> <p>Revenue Survey No. 392, 415, 416 & 417/1, Final Plot No. 84, 93 & 94 T. P. Scheme No. 20 of Village Atladra, Vadodara City.</p>		980 Sq. Ft. (super built-up)
II	<p>IMMOVABLE PROPERTIES AT NEW DELHI</p> <p>Office No. 235, 2nd Floor, Som Datt Chambers – II, 9, Bhikaji Cama Place, New Delhi.</p> <p>Municipal Corporation Ledger Reference No. 27/270 & 271</p> <p>Free-hold.</p>		362 Sq. Ft.
III	IMMOVABLE PROPERTIES AT HOSKOTE PLANT OF THE COMPANY		
F	FREEHOLD LAND AT HOSKOTE PLANT (KARNATAKA PLANT) OF THE COMPANY		
F(i)	<p>Industrial land AT VILLAGE : Chokkahalli, Kasaba Hobli, Hoskote Taluk, Bangalore District being Survey Numbers 80/3 and 81(P1,P2,P3)bounded on</p> <p>East by : property belonging to Azonobel company & private vacant land</p> <p>West by : property belonging to Icon Steel company & private vacant land</p> <p>North by : private vacant land and property belonging to M/s Giltek Ltd.</p> <p>South by : private vacant land</p>		35.8 Acre

G	Buildings at HOSKOTE PLANT (KARNATAKA PLANT) OF THE COMPANY		
	Buildings are constructed with heavy duty flooring, R.C.C Framed walls & roofed with A.C Sheet & steel trusses. We also find RCC roofing for lower floor for Ball mill building :		
	Details of the buildings are as under:		
	Clay Yard	Mar-97	6475.8
	Milling	Mar-97	1144.48
	Press	Mar-97	1353.75
	Press Toilet	Mar-97	24.32
	Bay 1	Mar-97	6009.08
	Bay 2	Dec-03	5774.96
	Bay 3	Mar-05	5444.68
	HR passage	Mar-97	151
	Warehouse	Mar-97	3341.52
	Admin	Mar-97	579.5
	Ball Mill	Mar-97	547.91
		Mar-97	547.91
	Utility/ DG	Mar-97	506.01
		Mar-97	35.28
		Mar-97	85.15
	Four Wheeler Parking	Mar-97	156
	Sub Station	Mar-97	87.36
	Security	Mar-97	21.6
	Weigh Bridge	Mar-97	26.68
	Training Hall	Mar-97	245.52
	Two Wheeler Parking	Mar-97	104.34
	Restaurant Room	Mar-97	41.89
	Restaurant	Mar-97	288.99
		Mar-97	47.12
	Gantry/Civil Room	Mar-97	64.61
	LPG Vaporizer Room	Mar-97	72.61
	LPG Loading Room	Mar-97	27.56
			33205.63 Sq Meters
			357292 Sq feet

ANNEXURE -B

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

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD

ORIGINAL COMPANY JURISDICTION

COMPANY APPLICATION NO. 13 OF 2011

(Under Section 391 to 394 of The Companies Act, 1956)

(DISTRICT : BULANDSHAHR)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF AMALGAMATION

OF

Bell Ceramics Limited
Having its Registered Office at Dora Village, Amod Taluka, Bharuch- 392230, Gujarat

—Amalgamating/Transferor Company

AND

Orient Ceramics and Industries Limited
Having its Registered Office at 8, Industrial Area,
Bulandshahr District, Sikandrabad-203205, Uttar Pradesh

— Transferee/ Applicant Company

PROXY FORM

I/We, the undersigned Unsecured Creditor(s) of Orient Ceramics and Industries Limited hereby appointofOr Failing him / herof.....as my/our Proxy to act for me/us at the Meeting of Unsecured Creditors of the said Company to be held on Friday, the 30th September, 2011 at 11.00 A.M. at 8, Industrial Area, Sikandrabad-203205, District, Bulandshahr Uttar Pradesh, for the purpose of considering and, if thought fit approving, with or without modification, the Scheme of Amalgamation / Merger proposed to be made between Orient Ceramics and Industries Limited & Bell Ceramics Limited and their respective Equity Shareholders, Unsecured Creditors and Secured Creditors, and at such meeting and adjournment thereof, to vote for me, and in my name*[here if 'for', insert 'FOR'; if 'against', insert 'AGAINST', and only in the latter case, strike out the words below/after 'Scheme of Amalgamation/ Merger] the said Scheme of Amalgamation/ Merger either with or without modification as my proxy may approve.

*[Strike out what is not necessary]

Affix Re.1/-
Revenue
Stamp

Dated thisday of 2011

Signature.....

NAME.....

Address.....

NOTES:

1. Instrument of Proxy must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting.
2. Please affix appropriate revenue stamp before putting signatures and signatures should be done across the face of the revenue stamp.
3. All alterations made in the Form of Proxy should be initialed.
4. Bodies Corporate would be required to deposit certified copies of Board/Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend & vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Orient Ceramics and Industries Limited at 8, Industrial Area, Sikandrabad-203205, District Bulandshahr, Uttar Pradesh at least 48 hours before the time of holding the meeting.

An individual, named in the relevant resolution, shall have the right to appoint a Proxy, to attend & vote instead of himself/herself, as such a Proxy shall be governed by the conditions as specified above.

ORIENT CERAMICS AND INDUSTRIES LIMITED

Regd. Office: 8, Industrial Area, Sikandrabad – 203 205, Distt. Bulandshahr, Uttar Pradesh

ATTENDANCE SLIP

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT
THE ENTRANCE OF THE MEETING VENUE)

I/We hereby record my/our presence at the Court convened meeting of the Unsecured Creditors of Orient Ceramics and Industries Limited to be held on Friday, 30th September, 2011 at 11.00 A.M. at the Registered Office of the Company at 8, Industrial Area, Sikandrabad – 203 205, Distt. Bulandshahr, Uttar Pradesh for the purpose of considering and, if thought fit approving, with or without modification, the Scheme of Amalgamation proposed to be made between BELL CERAMICS LIMITED and ORIENT CERAMICS AND INDUSTRIES LIMITED and their respective Equity Shareholders, Unsecured Creditors and Secured Creditors.

Signature :

NAME :

Address :

.....