

ORIENT
CERAMICS
we cover up beautifully

ANNUAL REPORT 2010-2011



ORIENT CERAMICS LAUNCHES

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international

PREMIUM IMPORTED TILES

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“Our Brand Portfolio”



Our Parent and the most popular Brand




Our Sub Brand for High End Tiles



Our Sub Brand for Decorative Tiles



Our Sub Brand for Premium Imported Tiles

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“Accreditations”



BOARD OF DIRECTORS

Mr. Mahendra K. Daga, Chairman & Managing Director
Mr. R. N. Bansal
Mr. Madhur Daga, Executive Director
Mr. Dhruv M. Sawhney
Mr. N. R. Srinivasan

CHIEF EXECUTIVE OFFICER

Mr. Vijay Shankar Sharma

AUDIT COMMITTEE

Mr. R. N. Bansal, Chairman
Mr. N. R. Srinivasan
Mr. Mahendra K. Daga

SHAREHOLDERS / INVESTORS GRIEVANCE AND SHARE TRANSFER COMMITTEE

Mr. N. R. Srinivasan, Chairman
Mr. Mahendra K. Daga
Mr. Madhur Daga

REMUNERATION COMMITTEE

Mr. N. R. Srinivasan, Chairman
Mr. Dhruv M. Sawhney
Mr. R. N. Bansal

COMPANY SECRETARY

Mr. Yogesh Mendiratta

STATUTORY AUDITORS

M/s. S.R. Dinodia & Co. , New Delhi

BANKERS

State Bank of India
Punjab National Bank
Barclays Bank PLC
Axis Bank
IDBI Bank

CORPORATE OFFICE

Iris House
16, Business Centre, Nangal Raya
New Delhi-110 046

REGISTERED OFFICE

8, Industrial Area Sikandrabad-203 205
Distt. Bulandshahr (U.P.)

PLANTS

8, A-75 to A-80 & A-84 Industrial Area
Sikandrabad-203 205, Distt. Bulandshahr (U.P.)

REGISTRAR & SHARE TRANSFER AGENT

M/s. MCS Limited
F-65, Okhla Industrial Area, Phase-I,
New Delhi-110 020

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Notice is hereby given that the 34th Annual General Meeting of the members of Orient Ceramics And Industries Ltd. will be held on Friday, the 02nd day of September, 2011 at 11.30 a.m. at the Registered Office of the Company at 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.) to transact the following business:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2011, the Profit & Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To declare dividend for the financial year ended 31st March, 2011.
3. To appoint a Director in place of Mr. N.R. Srinivasan who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"Resolved that Messers S.R. Dinodia & Co., Chartered Accountants, be and are hereby re-appointed statutory auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be fixed by the Board of Directors/Audit Committee plus reimbursement of travelling and other incidental expenses, if any, incurred in connection with the audit."

By order of the Board
For Orient Ceramics And Industries Ltd.

Place: New Delhi
Dated: 19th July, 2011

Yogesh Mendiratta
Company Secretary

NOTES:

- i. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote (On a Poll) instead of himself/ herself and the proxy need not be a member of the Company. The proxies in order to be effective must be lodged at the Corporate Office of the Company not less than 48 hours before the commencement of meeting.
- ii. The Register of Members and Share Transfer Books will remain closed from 26th August, 2011 to 02nd September, 2011 (both days inclusive) for the purpose of payment of Dividend on the equity shares for the financial year ended 31st March, 2011, if declared by the members at the Annual General Meeting.
- iii. Final dividend of Rs.2/- per share (20%) has been recommended by the Board of Directors and subject to the approval of the members at the Annual General Meeting, will be paid to those members whose name appear on the Register of Members of the Company after giving effect to all valid transfers in physical form lodged with the Company on or before 26th August, 2011 or in respect of shares held in electronic form, to those whose name appear as Beneficial Owners as at the end of business hours on 26th August, 2011 as per the list to be furnished by the Depositories.
- iv. The Company's equity shares are compulsorily traded in demat form. Members who are holding equity shares in physical form are requested to get them dematerialized.
- v. Members holding equity shares in physical form are requested to notify change of address, if any, to the Company at its Corporate Office at IRIS House, 16, Business Centre, Nangal Raya, New Delhi-110 046 or to the Company's Registrar & Share Transfer Agent, M/s MCS Limited, F-65, Okhla Industrial Area, Phase-I, New Delhi - 110 020 quoting their folio numbers.
- vi. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days except Sundays and Holidays between 10 a.m. and 1 p.m. only up to the date of Annual General Meeting.
- vii. Members who wish to obtain information on the Company/Subsidiary Company or view the Accounts for the financial year ended 31st March, 2011, may visit the Company's website www.orienttiles.com or send their queries at least 7 days before the Annual General Meeting to the Company Secretary at the Corporate Office of the Company.

- viii. Pursuant to section 205A of the Companies Act, 1956 any money transferred to unpaid dividend, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred to the Investor Education and Protection Fund established under section 205C of the Companies Act, 1956. Accordingly, the money will be transferred to the said fund as and when it becomes due and no claim shall lie against the Company or the said fund after such transfer.

The details of unpaid dividend / payment towards fractional bonus shares issued, which is due for transfer in the next three years, are as follows:

Period	Date of Declaration	Due date for Transfer
2004-2005	28.09.2005	27.10.2012
2005-2006	26.09.2006	25.10.2013
2006-2007*	05.05.2007	04.05.2014
2006-2007	17.09.2007	16.10.2014

Members who have not encashed their dividend cheques(s)/ warrant(s) pertaining to the aforesaid years may approach the Company's Corporate Office.

*Note: * This relates payment towards the fractional bonus shares issued in the year 2007.*

- ix. Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nomination are requested to send Form 2B either to the Company or its Registrar and Share Transfer Agent. Members holding shares in demat form may contact their respective depository participant for recording nomination in respect of their shares.
- x. Pursuant to amended clause 11 of the Listing Agreement only those share transfer applications shall be entertained which are accompanied with the copy of PAN card of the transferee(s).
- xi. Members holding shares in physical form who have not yet provided the Bank details are requested to provide the Bank Account Number, name of Bank and address of the Branch, quoting their folio number, so that the same can be printed on dividend Instrument, to avoid the incidence of fraudulent encashment of the instrument. In respect of the members holding shares in electronic mode, bank details as are furnished by the depositories will be printed on the dividend Instrument.
- xii. As a Green initiative in corporate governance, the Ministry of Corporate Affairs by circular no. 17/2011 dated 21.04.2011 has allowed companies to send official documents to their shareholders through email by giving an advance opportunity to every shareholder to register their email address and changes therein from time to time with the Company's Share Transfer Agent/ Depository Participant concerned. Accordingly, the members are requested to intimate their e-mail address/changes if any therein to the Company's Share Transfer Agent, M/s MCS Ltd, or to their Depository Participants. Interested members may fill in the E-Communication Registration form appended to this Annual Report and send to the Company at its Corporate Office address or to its Share Transfer Agent, M/s MCS Ltd., F-65, Okhla Industrial Area, Phase-I, New Delhi – 110 020. The members may also download the E-Communication Registration form available on Company's website www.orienttiles.com.
- xiii. Members are requested to send their queries, if any, to the Company Secretary at Corporate Office at least 7 days before the date of the Annual General Meeting.

By order of the Board
For Orient Ceramics And Industries Ltd.

Yogesh Mendiratta
Company Secretary

Place: New Delhi
Dated: 19th July, 2011

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under clause 49 of the Listing Agreement, the particulars of Director seeking appointment / re-appointment in the forthcoming Annual General Meeting are as follows:

Name of Director	Mr. N.R. Srinivasan		
Designation	Independent Director		
Date of Birth	11.10.1925		
Shareholding of Non – Executive Director	Nil		
Date of Appointment	16.09.1988		
Expertise in Specific Functional area	Ceramic Consultant having vast experience in Ceramics Industry		
Qualification	B. Sc. Tech. / M.Sc. Tech. (Ceramic Technology)		
Company in which outside Directorship held as on 31.03.2011	Bell Ceramics Limited		
Chairman / Member of the Committee(s) of the Board of Director of other Companies in which he is a Director	Name of Company	Committee	Position
	Bell Ceramics Ltd.	Shareholders/ Investors' Grievance Committee	Chairman
	Bell Ceramics Ltd.	Remuneration Committee	Chairman

Dear Shareholders,

Your Directors are pleased to present the 34th Annual Report and the audited accounts for the financial year ended March 31, 2011.

FINANCIAL RESULTS

The financial performance of the Company, for the financial year ended March 31, 2011 is summarized below:

(Amount in Rupees lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Gross Sales and other operating Income	32,096	27,187
Profit before Interest, Depreciation and Taxation	3,257	3,509
Interest	832	676
Depreciation	978	1,082
Profit before Taxation	1,447	1,751
Tax Expense	470	605
Profit after tax	977	1,146
Earning per Share (Rupees)	9.28	10.88

OPERATING RESULTS

Your Company maintained its growth momentum with continuous thrust on product innovation, display and branding. Cumulative Brand recognition and wide range of product offerings in all spheres of customer segments resulted in 16% growth in terms of sales turnover making it to Rs. 31,197 lacs as compared to Rs. 26,975 lacs in previous year. During the year under review your Company's export sales showed tremendous growth and stood at Rs. 860 lacs as compare to Rs. 67 lacs in previous year.

During the financial year under review, as a significant part of Company's Marketing Strategy, In Shop Branding has been done over 25 retail outlets across the country simultaneously with hoarding and highway wall painting campaign. "Orient Europa" brand was promoted by way of print advertising in major Hindi, English and regional language dailies and as well as premium lifestyle magazines. The products of the Company were displayed at 11 Home Town locations across the Country. Complementing these activities was the launch of industry's first online marketing campaign via our Facebook site <http://www.facebook.com/WeCoverUpBeautifully>.

ESTABLISHMENT OF IMPORT BUSINESS UNDER "ORIENT INTERNATIONAL"

During the last quarter of Financial Year 2010-11, your Company has established & aggressively entered the business of imported premium tiles, under the sub brand 'Orient International'. Your company has already appointed distributor in North India and has finalized orders to be placed with some European Companies on an exclusive basis. Orient International is expected to become a significant growth & profitability driver in the years to come.

INORGANIC EXPANSION

During the financial year under review, your Company has, as a strategic step towards expansion of Company's operations, acquired 68.31% stake in Bell Ceramics Ltd. (BCL) and BCL became your Company's subsidiary w.e.f. 29th December, 2010. BCL, as a company was started in the year 1985 with an object to manufacture ceramic glazed tiles. It has two strategically located plants in Dora, Gujarat and Hozkote, Karnataka with a combined installed capacity of 144.50 lacs sq. mtrs. BCL's equity shares are listed on Bombay and National Stock Exchanges.

Your Company's plant is located at North India and has considerable market share in North and East India market whereas BCL has plants in West and South India and strong market presence there at. This translates into excellent synergy for the combined business and makes the ideal platform for your Company to gain market share rapidly and profitably in the rich tile consuming geographies of South and West India via its plants and focused distribution network.

The change in management and integration of operations of both the Companies has already started showing promising prospects as is evident from the fact that BCL has registered a growth of 14% in sales to Rs. 4,682 lacs in the quarter ended 31st March, 2011 as compared to Rs. 4,119 lacs in previous year's corresponding quarter and Net profit stood at Rs. 313 lacs as compared to a loss of Rs. 236 lacs in previous year's corresponding quarter. This is a remarkable turnaround in an extremely short period of time.

To avail the maximum benefits out of this acquisition and for strengthening leadership in the industry, in terms of the asset base, revenues, product range, production volumes and market share of the combined entity, the Board of Directors of your Company has approved a Scheme of Amalgamation of Bell Ceramics Ltd. with the Company. This amalgamation will also result in greater efficiency in cash management & will maximize overall shareholder value.

DIVIDEND

For the year under review, your Directors has recommended for consideration of the shareholders at the Annual General Meeting, a dividend of Rs.2/- per share (20%) for the year ended 31st March, 2011. The total outgo of dividend inclusive of corporate tax on dividend thereon would remain same as was in the previous year i.e. Rs.245.58 lacs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

'Management Discussion and Analysis Report', as stipulated under clause 49 of the Listing Agreement with Stock Exchanges forms part of this report, has been given under separate section in the Annual Report.

CORPORATE GOVERNANCE REPORT

The Company has implemented the mandatory as well as certain non mandatory requirements of corporate governance as per clause 49 of the Listing Agreement. A report on Corporate Governance with detailed compliance is given under a separate section in this Annual Report. The Company has also obtained a certificate on compliance of the provisions of Corporate Governance from the Statutory Auditors which is reproduced at the end of Corporate Governance report as its Annexure-A.

SUBSIDIARY COMPANY

During the financial year under review, your Company has acquired 83,16,400 equity shares of face value Rs. 10/- each of Bell Ceramics Limited constituting a majority stake of 68.31% of the total paid up capital of the Bell Ceramics Ltd. making it as its subsidiary company*. In accordance with the general circular nos. 2/2011 and 3/2011 issued by the Ministry of Corporate Affairs, Government of India, the individual Annual Accounts of the subsidiary, Bell Ceramics Ltd. for the year ended 31st March, 2011, have not been attached with the Balance Sheet of the Company. Copies of the Annual Accounts of Bell Ceramics Ltd. and related information will be made available on request. The Annual Accounts of the subsidiary company will also be kept for inspection by any shareholders in the Corporate Office of the Company and also at the venue during the Annual General Meeting.

**Out of 83,16,400 equity shares, 72,216 equity shares are pledged with IDBI Bank by the erstwhile promoters of BCL and will form part of total shareholding of your company on release of pledge as per share purchase agreement signed during acquisition with the said erstwhile promoters.*

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates Consolidated Financial Statements are provided in the Annual Report.

PUBLIC DEPOSITS

Pursuant to section 58A of Companies Act 1956, during the year your Company has neither invited nor accepted deposits from the public.

INFORMATION PURSUANT TO SECTION 217(1) (e)

The information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto as Annexure-I to this Report.

PARTICULARS OF EMPLOYEES

Information as per section 217(2A) of the Companies Act, 1956 (hereafter referred to as "the Act"), read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to all the members excluding the statement containing the statement of particulars of employees to be provided under Section 217(2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy at the Corporate Office of the Company.

DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Company's Articles of Association, Mr. N.R. Srinivasan retires by rotation and being eligible offers himself for re-appointment at the Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

AUDITORS

M/s S. R. Dinodia & Co, Chartered Accountants, New Delhi Statutory Auditors of the Company, retire in accordance with the provisions of the Companies Act, 1956 at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITOR'S REPORT

The Auditor's Report read with notes to the accounts referred to in the Auditor's Report are self explanatory and therefore do not call for any further comments.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and dealers during the financial year 31st March, 2011. Your directors wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company and our gratitude towards the shareholders for reposing faith in the management of the Company.

On behalf of the Board

Place: New Delhi
Date: 19th July, 2011

Mahendra K. Daga
Chairman & Managing Director

ANNEXURE - I

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of Directors' Report.

A. CONSERVATION OF ENERGY**(a) Energy Conservation measures taken:**

1. Recycling of waste hot air at vertical dryer for removing the moisture from green tile.
2. Use of Variable frequency drives in GP ball mill and press dryer to save electrical energy.
3. Replaced under load motors by lower capacity of motors to save electrical energy.
4. Modified conveyor system for Press powder feeding to save electrical Energy.
5. Modified motor connection from delta to star to reduce power consumption.

(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

The Company has installed energy efficient machines and equipments for use in the manufacturing activities.

(c) Impact of measures at (a) and (b) above for reduction of energy, consumption and consequent impact on the cost of production of goods:

The impact of the measures at (a) and (b) has resulted in energy saving.

(d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure in respect of industries specified in schedule thereto:

The Company is not covered under the list of specified industries.

B. TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT (R&D)**1. Specific areas in which R & D carried out by the Company:**

By an ongoing system of applied research in body composition and by reengineering the glaze composition we are able to keep the cost under control in spite of continuous rise in raw material cost.

2. Benefits derived as a result of the above R & D:

We are able to keep costs under control.

3. Future plan of action:

The Company has strived to be leader in manufacturing of quality tiles with rich colours and indifferent designs at very competitive price. The Research and Development work is an on-going process which the team at Orient adapts with excellence.

4. Expenditure on R&D:

No separate record of the expenditure incurred is maintained.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**1. Efforts made towards technology absorption, adaptation and innovation:**

The Company has adopted the latest technology in Tile manufacturing. Following initiatives has been taken and some are under consideration:

- i. Installed auto sorting and packing machine for MF2 plant to improve the quality of packing and on line checking of size and planarity. For MP-2 plant one more sorting line has been ordered.
- ii. Two set of roto colour has been ordered for MF1 & MF2 plant to improve the quality of product.
- iii. Digital printing machine which is the ultimate technology in printing is under consideration for high value product.

- iv. For fuel saving in kilns we are going to tie up with Italian manufacturer to replace existing burner with modified burners.
- v. More VFD's has been ordered for the electrical energy conservation.

2. Benefit derived as a result of the above efforts:

As a result of these efforts, cost reduction, improved yield, energy saving, and quality up gradation became possible.

3. All the earlier relevant technologies are fully absorbed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (i) Foreign Currency used :Rs.1,178 lacs
- (ii) Foreign Currency earned :Rs. 804 lacs

Place: New Delhi
Date: 19th July, 2011

On behalf of the Board

Mahendra K. Daga
Chairman & Managing Director

AS PER THE REQUIREMENT OF CLAUSE 49 OF THE LISTING AGREEMENT THE MANAGEMENT DISCUSSION & ANALYSIS REPORT IS AS UNDER:**GLOBAL TILE INDUSTRY**

The most apparent trend in the manufacturing sector is the geographical shift in tile production from the industry's traditional European base to the emerging economies of Asia, North Africa and the Middle East. The downturn was mainly confined to the member states of the European Union (EU) including Spain and Italy which registered a collective decline of 354 million square metres. Twenty-seven EU nations produced 1,076 million square metres of ceramic tile, a figure that represents a 24.8 per cent drop in total output.

Since 2009, Asia (including the Middle East) furthered its influence in the production sector, accounting for approximately 2/3rd of the world's total ceramic tile production. Asian manufacturers increased their productivity by more than seven percent, ultimately making 5,542 million square metres of tile in the calendar year. China once again confirmed its status as the world's leading tile producer, with its vast industrial base creating 3,600 million square metres of product. It is astonishing to think that China alone is responsible for nearly two-thirds of Asia's tile production and 42.3 per cent of the tile industry's global output. A discernible pattern is emerging in China's production habits as the quantity of tiles produced in the People's Republic has increased by 200 million square metres in each of the last five years.

The last two years have seen a remarkable convergence between tile production and consumption. In 2004, the gap between the two was as high as 370 million square metres. By 2009, this figure had fallen to only 55 million square metres, with manufacturers and suppliers mindful of adding to existing warehouse stocks. As production slumped by the smallest of margins, worldwide consumption rose by 1.3 per cent to an all-time high of 8,460 million square metres.

INDIAN TILE INDUSTRY

India's tile manufacturing sector is expanding rapidly and has reached an all-time high of 490 million square metres.

The Indian Ceramic Tile Industry has been growing at a healthy rate of approx 15% per annum. It's total turnover is estimated at Rs. 8,500 to Rs. 9,000 Crores out of which unorganized sector comprises Rs. 3,500 Crores to Rs. 4,000 Crores. The ceramic tile industry in India has followed similar trends internationally which have been characterized by excess capacities and falling margins. Countries like Malaysia, Thailand, Indonesia, Sri Lanka and Vietnam are setting up their own plants. China has emerged as a major competitor. Producers from Spain and Italy have the advantage of lower transportation costs while exporting to USA and Germany. In India, the per capita consumption is as low as 0.42 square meters per person compared to China at 2.26 square meters per person. Rising disposable incomes of the growing middle class and 40 million units of housing shortage hold out a great potential.

Asia's production of tile is 65.1% of total production of whole world. As the world's third largest manufacturer and consumer of ceramic tile, India has a telling effect on the industry's performance, despite the fact that few of its products are exported or used overseas. The Indian Industry has developed an export market although at the lower end. In volume it constitutes less than half a percent of the global market. (Presently India does not figure in the list of major exporting countries). But this reality could change as Indian exports are rising at the rate of 15% per annum. The top-end of the global export market is presently dominated by Italy (40.8%) and Spain (26.4%). India is looking for opportunities in export of tiles to Pakistan, Nepal, Bangladesh and Sri Lanka and looking forward to seek Government's support for that.

OUTLOOK

The Tile market is growing and the demand for tiles is continuously increasing. The primary drivers of the tile market is the robust demand for Residential & Commercial construction, including individual & apartment based housing, large townships, & office spaces across a variety of sectors. There is a significant demand supply gap in the Healthcare & Hospitality sectors & we foresee massive construction over the next few years which will further fuel the demand for high quality tiles. Over the next few years, the refurbishment market will also contribute significantly to the demand for ceramic tiles. With the growing number of malls and growth in housing sector, usage of ceramic tiles in the Country is increasing rapidly. Tiles are now the preferred choice in infrastructure projects such as at Airports and Railway Stations.

OPPORTUNITIES & THREATS

We see opportunity of consumption of tiles in increasing numbers of households and population in India day by day. The higher disposable income is another cause of rise in demand of tiles. Increasing Consumption of tiles in real estate sector is also a major boost to the Indian tile Industry. According to the Tenth Five Year Plan, there is a shortage of 22.4 million dwelling units. Thus, over the next 10 to 15 years, 80 to 90 million housing dwelling units will have to be constructed with a majority of them catering to middle- and lower-income groups. The real estate sector is also likely to get a boost from Real Estate Mutual Funds (REMFs) and Real Estate Investment Trusts (REITs). According to the Federation of Indian Chambers of Commerce and Industry (FICCI), the Indian real estate sector is likely to experience consolidation wherein bigger players may opt for outright buy of smaller firms or forge joint ventures or business alliances with them.

The Competition from Unorganized Sector and import of tiles in India from China are always threat to the Indian Tile Industry. Tile has now become a fashion product and keeping the pace with new technology is a major challenge. To counter these threats and any future threats your Company always endeavors to deliver excellent quality designs at competitive prices. Our investment in an European Design Studio is paying dividends with customers appreciating our innovating product & home décor solutions.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Your Company deals with products which come under one segment only i.e. 'Ceramics Tiles'. The Company's rationalized brand portfolio includes 'Orient Tiles' and sub brands viz., 'Orient Europa', 'Orient Stiler' and 'Orient International'.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company continues with in-house Internal Audit to conduct regular audits on Internal Control and compliance aspects of all business processes. The Company has well defined Standard Operating Procedures for all business processes which are updated from time to time. The Company issues Standard Operating Procedures as and when needed. The Audit Committee of the Board of directors reviews the implementation and effectiveness of the SOPs. Internal Audit Departments regularly carries out the Internal audits as per plan of action approved by the audit committee and present the internal audit reports before the Corporate Management and the Audit Committee from time to time for its review. The In house internal audit framework helps in identifying the business risks and problem areas which with the guidance of Management and Audit committee mitigated ensuing better Corporate governance and greater efficiency.

CUSTOMER RESPONSE TEAM

The Customer Response Team is adequately working. The complaints of the end customer are satisfactorily attended by the Customer Response Team.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements of the Companies Act and the Accounting Standards issued by the Institute of Chartered Accountants of India.

- 1. Capacity:** The utilized capacity of the plant was 84%. The technical performance of the Company has continued to remain satisfactory.
- 2. Sales:** The Company's gross turnover increased by 16% during the financial year 2010-11. This includes export sales of Rs. 804 lacs (FOB).
- 3. Finance charges:** Finance charges for the year amounted to Rs. 832 lacs as against the previous year of Rs. 676 lacs. This increase of Rs. 156 lacs is due to increase in rate of interest and increased working capital limit and long term loans.
- 4. Depreciation:** The current year depreciation amounted to Rs. 978 lacs as against Rs. 1,082 lacs of previous year.

5. Profit:

- a) Profit before Depreciation and Taxation amounted to Rs. 2,425 lacs as against the previous year of Rs. 2,833 lacs.
- b) Provision for taxation
Provisions for deferred tax/charge for the year amounting to Rs. (94) lacs and the provision for the current tax was Rs. 564 lacs respectively.
- c) Net Profit for the year amounted to Rs. 977 lacs as against the previous year of Rs. 1,146 lacs.

6. Fixed Assets: During the year the Company spent Rs. 832 lacs on CAPEX.

7. Net Working Capital:

Inventories increased to Rs. 6,905 lacs from Rs. 5,737 lacs in the previous year due to introduction of more Stock Keeping Units (SKUs).

Sundry Debtors increased to Rs. 4,032 lacs as against Rs. 3,160 lacs of previous year.

Loans and advances of Rs. 3,014 lacs representing advances paid for raw materials, stores and spares, advance taxes, Customs duty, un-utilised Cenvat/ Service Tax credit, export entitlement benefit receivable, sundry deposits, loans to subsidiary etc.

Current liabilities and provisions: The amount of Rs. 6,598 lacs includes creditors for suppliers of raw materials, stores and spares, provisions for expenses and taxes, dividend and tax payable thereon, liabilities for gratuity and leave encashment.

8. Borrowed funds: During the year the Company has taken fresh term loan of Rs. 2,080 lacs and repaid principal of Rs. 798 lacs against Term Loan from Banks. The balance term loan outstanding as on 31st March, 2011 was Rs. 1,826 lacs. As on 31st March, 2011, the total borrowings of the Company was Rs. 10,280 lacs as against Rs. 6,381 lacs in the previous year.

HUMAN RESOURCE / INDUSTRIAL RELATIONS

During the year 2010-11 Chief Financial Officer was entrusted with additional responsibility of Sales and Marketing and re-designated as Chief Executive Officer. President (Operations) was also re-designated as Chief Operations Officer. The Company's streamlined reporting system ensures job satisfaction and efficiency. The Company continues with the job appraisal system ensuring overall growth of the employees of the Company which remain our assets. Training and Development is a continuous process at Orient which ensures overall growth of the employee be it personal or corporate.

Industrial relations have continued to be cordial throughout the year. As on 31st March, 2011, the total number of employees on the payrolls of the Company was 754.

DISCLAIMER

The Management Discussion and Analysis Report may contain some statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence Company's operations such as Government policies, economic development, political factors and such other factors beyond the control of the Company.

DE-RISKING

At Orient Ceramics, we recognize that there are many inherent risks in our business as in any other business and that it is, therefore, important to have a formal system of risk identification and mitigation to ensure long term profitability and success of the company.

Apart from employing a system of internal controls along with regular validation to take away the routine business risk, the following corporate risks inherent in the business; along with their mitigation strategy are discussed below.

Risk Type	Risk Category	Nature of Risk	Measures to mitigate Risk
Industry	Medium	Slow down in the industry can affect sales and viability of the business.	The tile industry is a long term growth industry linked to India's economic growth and is therefore more robust than the real estate industry since the refurbishment market provides additional demand. Per capita tile consumption is very low in India. The industry is expected to grow at over 15% over the next many years.
Competition			
a. Imports	Medium	i) Cheap imports from China can affect sales and margins.	The Government of India has imposed Anti Dumping Duty on tile imports from China which is expected to continue in the years to come. Moreover, tiles being a very heavy item and prone to breakage, freight costs and losses are high for importers. Orient has its own manufacturing and distribution strengths and is a brand recognized for quality. We are investing marketing and brand building to help us sustain and grow our sales and profitability in future. Increase in freight and other challenges with Chinese suppliers have seen imports getting reduced in the last year.
		ii) High end tile imports from Europe can affect high realization.	We have turned this threat into opportunity by entering into this segment through "Orient International" and "Orient International" also completes our Product Basket.
b. Local	High	iii) Local competition from other organized and unorganized sector companies can affect price realization and sales.	There is a large unorganized sector in India. There are also larger organized sector tile companies in competition. However, the quality of Orient products is known to be significantly better and commands a premium. With the new range of Europa Design tiles which have been designed by an in-house European designer, Orient has also established itself in high end tile market too. We have invested in developing high end products which are still not made by the un-organized sector and are also investing in showrooms and other display mechanism for our product to create a brand pull. Some of them are also acquiring digital printing machines.

Risk Type	Risk Category	Nature of Risk	Measures to mitigate Risk
Cost of Production & Margins	High	Increase in cost of natural gas and cost of raw materials, particularly imported ones may increase the cost of production substantially; putting pressure on margins and profitability.	<p>Natural gas is sourced from GAIL. The Company has signed a 10 year contract with GAIL on 01.01.2009 in which the pricing formula is based on the average price of previous 5 years.</p> <p>Therefore, it is unlikely that sudden increase in gas price will be witnessed even if the market price of crude oil and spot price of natural gas goes up again. Moreover, the company has implemented production planning systems to ensure that the company operates within the gas quota allocated without using the spot gas which is available at substantially higher cost unless the product margins justify the higher costs. We have rationalized our number of vendors and selected vendors that are closer to our plant thereby reducing cost of transportation, storage as well as lead time.</p> <p>The company has a detailed product costing system to measure cost of production / sales and profitability. Increased costs are passed on to the customers from time to time. Furthermore, to de-risk the company's margins, the company has launched high end products which give much better margins on sale to us.</p> <p>The company is focusing on product business to get larger orders for higher capacity utilizations thereby leveraging the fixed costs.</p>
Customers	Medium	Customer attrition or default risk.	The brand image of Orient has significantly gone up over the last year. Coupled with the competitively priced product portfolio, the Company has not only been retaining its loyal customers but also acquired new customers to suit its high end product portfolio. During October 2010 and March 2011, the Company has done rebranding which have been very well accepted within and outside the Company and the Company has stepped up the invention in branding, visibility across the Country significantly. In the last quarter of the financial year 2010-11, we ran AD campaigns thereby ensuring not only customer stickiness but also customer pull.
Currency	Low	The risk of fluctuations mainly in USD and Euro that would render imports costlier.	The Company is not excessively dependent on imports and only imports a few raw materials. Moreover, this risk is self mitigating because when raw material imports become costlier, imported tiles become even more costlier which gives local manufacturers a greater share in the market.
Human Resources	Low	Risk of employer attrition.	Employee attrition is within acceptable limit for the company due to employee friendly company policies, focus on training and development and other HR initiatives. With more recruitments completed at senior management level during the year, there is sufficient depth of management in all functions of the company.
Industrial Relations	Low	The risk of production suffering due to Industrial relations.	The Industrial relations in the manufacturing plant are cordial. The Company has recently signed a three year wage agreement and regularly provides training and takes other necessary initiatives to ensure healthy and cordial relations.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a practice of managing the affairs of the Company in a way which apart from utilizing the resources effectively ensures accountability, transparency, fairness with the highest standards of ethics to meet the expectations of stakeholder's and society at large. Your Company is committed to conduct its affairs in accordance with the best corporate practices and is constantly striving to improve upon them. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value sustained over a period of time.

In accordance with Clause 49 of the Listing Agreement and some of the other Corporate Governance practices adopted worldwide, the report containing the corporate governance policies and practices adopted by the Company for the financial year 2010-11 is as under :

BOARD OF DIRECTORS

I. Composition of Board

A majority of the Board, three out of five are independent directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement and is having an optimum combination of Executive and Non-Executive Directors headed by Executive Chairman. The Board consists of the following five directors:

Sl. No.	Name of Directors	Category	Designation
1.	Mr. Mahendra K. Daga	Promoter Director	Chairman & Managing Director
2.	Mr. Madhur Daga	Promoter Director	Executive Director
3.	Mr. R. N. Bansal	Independent Director	Director
4.	Mr. Dhruv M. Sawhney	Independent Director	Director
5.	Mr. N. R. Srinivasan	Independent Director	Director

"Independent Director" shall mean a Non-Executive Director of the Company who belongs to the category enumerated under sub clause (I) (A) (iii) of Clause 49 of the Listing Agreement.

II. Attendance of Directors at the Board Meetings held during the financial year 2010-2011 and the last Annual General Meeting (AGM)

The details of attendance of each Director at the Board Meetings and last Annual General Meeting are as follows:

Sl. No.	Name of Directors	No. of Meetings		Whether Attended last AGM
		Held	Attended	
1.	Mr. Mahendra K. Daga	8	5	Yes
2.	Mr. Madhur Daga	8	8	Yes
3.	Mr. R. N. Bansal	8	6	Yes
4.	Mr. Dhruv M. Sawhney	8	1	No
5.	Mr. N. R. Srinivasan	8	8	Yes

III. Details of other Directorships and Committee Memberships / Chairmanships

The details of other Directorships and Memberships / Chairmanships of Committees held by the Directors as on 31st March 2011 are as follows:

Sl. No.	Name of Directors	No. of Directorships in other Companies*	No. of Committee positions held in other Companies	
			Membership**	Chairmanship**
1.	Mr. Mahendra K Daga	3	None	None
2.	Mr. Madhur Daga	1	None	None
3.	Mr. R. N. Bansal	9	4	4
4.	Mr. Dhruv M. Sawhney	4	None	None
5.	Mr. N. R. Srinivasan	1	None	1

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees as specified in clause 49, across all the Companies in which he is a Director.

**The Directorships held by Directors as mentioned above, include their directorships in public limited companies only and does not include Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.*

*** Membership / Chairmanship of Audit Committee and Shareholder's Grievance Committee of Indian Public Limited Companies is taken into consideration.*

IV. Meetings of the Board of Directors

Eight Board Meetings were held during the financial year 2010-11 on 14th May, 15th June, 16th July, 09th August, 31st August, 01st November, 04th December and 05th February respectively. The maximum time gap between any two meetings was 62 days and the minimum gap was 21 days. The necessary quorum was present at all the meetings. The agenda papers were circulated well in advance of each meeting of the Board of Directors.

COMMITTEES OF THE BOARD

(i) Audit Committee

Audit Committee of the Board is entrusted with the powers and the role that are in accordance with the Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee, inter alia, include overseeing financial reporting processes, reviewing periodic financial results, reviewing with the management the financial statements and adequacy of internal control systems, reviewing the adequacy of internal control function, discussions with the Internal and Statutory Auditors about the scope of audit including the observations of Auditors and discussion with them on any significant findings.

The Composition of Audit Committee as on 31st March, 2011 and the attendance of the members at the Audit Committee Meetings held during the year are as follows:

Sl. No.	Name of Directors	Category	No. of meetings	
			Held	Attended
1.	Mr. R. N. Bansal	Independent, Non-Executive	5	5
2.	Mr. N. R. Srinivasan	Independent, Non-Executive	5	5
3.	Mr. Mahendra K. Daga	Promoter, Executive	5	2

All the members of Audit Committee are financially literate. Mr. R. N. Bansal, a senior fellow member of the Institute of Chartered Accountants of India and independent director of the Company, is the Chairman of the Audit Committee. He has rich experience and expertise in the fields of Accounting, Finance and Company Law.

The committee met five times during the financial year 2010-11 that is on 14th May, 16th July, 9th August, 01st November and 05th February respectively. The necessary quorum was present at all the meetings. The maximum time gap between any two meetings was as per the listing agreement. The Company Secretary acts as the Secretary of the Committee.

(ii) Remuneration Committee

The Remuneration Committee was set up to review and recommend the remuneration package of the Executive Directors comprising of Managing Director and Whole-time Directors. The role of the Remuneration Committee cover the areas mentioned under Clause 49 of the Listing Agreement, besides other terms, which may be referred by the Board of Directors, from time to time.

The Composition of Remuneration Committee as at 31st March, 2011 and the attendance of the members at the Remuneration Committee Meetings held during the year are as follows:

Name of Director	Category	No. of meetings	
		Held	Attended
Mr. N. R. Srinivasan	Independent, Non-Executive	1	1
Mr. Dhruv M. Sawhney	Independent, Non-Executive	1	1
Mr. R.N. Bansal	Independent, Non-Executive	1	1

Mr. N.R. Srinivasan is the Chairman of the committee. The committee met only once during the financial year ended 31st March, 2011 and that is on 16th July, 2010. All the members were present at the meeting. The Company Secretary acts as the Secretary of the Committee.

The details of remuneration paid to the Directors during the financial year 2010-11 is as follows:

(In Rupees)						
Name of Director	Salary	Provident Fund	Perquisites	Commission*	Sitting Fee	Total
Mr. Mahendra K. Daga	99,00,000	-	1,58,809	6,00,000	-	1,06,58,809
Mr. Madhur Daga	80,00,000	9,360	1,48,000	6,00,000	-	87,57,360
Mr. R. N. Bansal	-	-	-	2,00,000	1,20,000	3,20,000
Mr. Dhruv M. Sawhney	-	-	-	2,00,000	1,50,00	2,15,000
Mr. N. R. Srinivasan	-	-	-	2,00,000	1,62,500	3,62,500

*Commission paid in financial year 2010-11 pertains to financial year 2009-10.

Details of shareholding of Non-Executive Directors as on 31st March, 2011

Name of Non-Executive Director	No. of shares held
Mr. R. N. Bansal	Nil
Mr. Dhruv M. Sawhney	Nil
Mr. N. R. Srinivasan	Nil

Remuneration Policy

Remuneration of Managerial Personnel consists of Basic Salary, allowances, Commission and Perquisites as approved by the shareholders in terms of the provisions contained in the Companies Act, 1956. The remuneration policy is in consonance with the existing industry practice.

The Company does not operate any Stock Option Scheme.

(iii) Shareholders / Investors Grievance and Share Transfer Committee

The Company's Shareholders / Investors Grievance and Share Transfer Committee reviews compliance of rules and regulations, redresses shareholder's grievances and monitors the system of share transfer, transmission, sub-division & consolidation of share certificates and issue of duplicate share certificates. The Committee comprises of three Directors viz. Mr. N.R. Srinivasan, Mr. Mahendra K. Daga and Mr. Madhur Daga as its members. Mr. N.R. Srinivasan, Non Executive Director is the Chairman of the Committee and Mr. Yogesh Mendiratta, Company Secretary is the Compliance Officer.

To expedite the process of share transfers, the Board of Directors has delegated the power of share transfers to M/s MCS Ltd., Registrar and Share Transfer Agents, who attend to the share transfers, promptly.

No complaint was outstanding at the beginning of the financial year i.e. on 01st April, 2010. During the year 2010-11, the Company has received four complaints from the shareholders directly relating to non receipt of dividend, non receipt of Annual Report etc. All the complaints were resolved to the satisfaction of the shareholders and none of the complaints were pending for disposal as on 31st March, 2011.

(iv) Borrowing Committee

Board of Directors have in its meeting held on 15th June, 2010, pursuant to Section 292(1) (b) & (c) of the Companies Act, 1956, constituted this Committee with an objective to delegate, the power to borrow secured/ unsecured funds, otherwise than by way of debentures, from potential lenders and to meet out the funding needs of the Company as may arise from time to time.

The Committee comprise of three Directors viz. Mr. Mahendra K. Daga, Chairman, Mr. Madhur Daga and Mr. N.R. Srinivasan as its members. Mr. Mahendra K. Daga, Chairman & Managing Director is the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee. The Committee met only once during the financial year ended 31st March, 2011 that is on 15th June, 2010. All the members were present at the meeting.

GENERAL BODY MEETINGS

Detail of last three Annual General Meetings:

Year	Location	Day & Date	Time	Special Resolutions
2007-08	Regd. Off: 8, Industrial Area Sikandrabad - 203 205, Distt. Bulandshahr (U.P.)	Friday, 12th September, 2008	11.30 a.m.	There was no special resolution in the notice of Annual General Meeting.
2008-09	- do -	Friday, 25th September, 2009	11.30 a.m.	Re-appointment and Remuneration of Mr. Mahendra K. Daga as Managing Director of the Company.
2009-10	- do -	Tuesday, 31st August, 2010	11.30 a.m.	i. Re-appointment of Mr. Madhur Daga as Executive Director. ii. Payment of Commission to Non- Executive Directors of the Company.

All the above mentioned special resolutions were passed unanimously.

POSTAL BALLOT

I. Details of the Special/Ordinary Resolutions passed by the Company through Postal Ballot:

During the financial year 2010 - 2011, the Company sought approval from its shareholders through Postal Ballot Process on two occasions for passing special and ordinary resolutions in accordance with the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001. The detail of resolutions passed is as under:

A. Resolutions declared as passed on 13th September, 2010.

- (i) Ordinary Resolution under Section 293(1) (d) of the Companies Act, 1956 for increase in the borrowing powers of the Board of Directors from Rs. 100 Crores to Rs. 300 Crores.
- (ii) Ordinary Resolution under Section 293(1) (a) of the Companies Act, 1956 for increase in limits for creation of Hypothecation/ Mortgages / charges on the Company's assets in favour of Financial Institutions and other lenders from Rs. 100 Crores to Rs. 300 Crores.

Procedure for Postal Ballot

- (i) The Board of Directors of the Company at its meeting held on 16th July, 2010, had appointed Mr. S.K. Kapahi, FCS, Secretary in whole time practice as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.
- (ii) The Company had completed on 04th August, 2010 the dispatch of postal ballot notices, forms along with the postage prepaid business reply envelopes to its members whose name(s) appeared in the Register of Members as on 30th July, 2010.
- (iii) The postal ballots received in business reply envelopes from the members were kept in safe custody of Scrutinizer before commencing the scrutiny of such postal ballot forms.
- (iv) All postal ballot forms received upto the close of working hours on 06th September, 2010, the last date fixed by the Company for receipt of the forms were considered for scrutiny and postal ballot forms received thereafter were not considered for scrutiny.
- (v) Based on the report dated 09th September, 2010, submitted by the Scrutinizer, the brief details of which are given below, the President (Operations), Mr. Anil Agarwal, duly authorized by the Chairman & Managing Director, had announced the results of the Postal Ballot on 13th September, 2010.

Particulars	No. of Postal Ballot forms	No. of shares	% of total paid up equity capital
Postal Ballot forms received	27	78,33,152	74.39
Less: Invalid postal ballot forms	NIL	NIL	NIL
Net valid postal ballot forms (as per register)	27	78,33,152	74.39
Postal Ballot forms with assent for the resolution	27	78,33,152	74.39
Postal Ballot forms with dissent for the resolution	NIL	NIL	NIL

Both the resolutions as set out in the notice dated 16th July, 2010, were declared as passed as Ordinary resolutions having 27 valid Postal Ballot Forms comprising of 78,33,152 equity shares in favour and none was voted against.

The results were sent to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. where the equity shares of the Company are listed, and displayed on the Company's website www.orienttiles.com.

B. Resolution passed on 22nd March, 2011.

Special resolution under Section 372 A read with Section 292 of the Companies Act, 1956 for authorizing the Board of Directors to make further investments, loans/ give guarantees / provide securities beyond the limits prescribed under Section 372 A of the Companies Act, 1956.

Procedure for Postal Ballot

- (i) The Board of Directors of the Company at its meeting held on 05th February, 2011, had appointed Mr. S.K. Kapahi, FCS, Secretary in whole time practice as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.
- (ii) The Company had completed on 15th February, 2011, the dispatch of postal ballot forms alongwith the postage prepaid business reply envelopes to its members whose name(s) appeared in the Register of Members as on 04th February, 2011.
- (iii) The postal ballots received in business reply envelopes from the members were kept in safe custody of Scrutinizer before commencing the scrutiny of such postal ballot forms.
- (iv) All postal ballot forms received upto the close of working hours on 18th March, 2011, the last date fixed by the Company for receipt of the forms were considered for scrutiny and the postal ballot forms received thereafter were not considered for scrutiny.
- (v) Based on the report dated 21st March, 2011, submitted by the Scrutinizer, the brief details of which are given below, GM – Logistics & Liason, Mr. G.S. Bhatia duly authorized by the Chairman & Managing Director, had announced the results of the Postal Ballot on 22nd March, 2011.

Particulars	No. of Postal Ballot forms	No. of shares	% of total paid up equity capital
Postal Ballot forms received	58	81,57,376	77.46
Less: Invalid postal ballot forms	1	585	0.005
Net valid postal ballot forms (as per register)	57	81,56,791	77.46
Postal Ballot forms with assent for the resolution	56	81,56,769	77.46
Postal Ballot forms with dissent for the resolution	1	22	0.00

The resolution as set out in the notice dated 05th February, 2011, was declared passed as Special Resolution having 56 valid Postal Ballot Forms comprising of 81,56,769 equity shares, in favour and one Postal Ballot Form comprising of 22 shares against the Special Resolution.

The results were sent to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. where the equity shares of the Company are listed, and displayed on the Company's website www.orienttiles.com.

II. Whether any Special Resolution is proposed to be conducted through postal ballot.

No resolution whether Special or Ordinary Resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting.

DISCLOSURES

- (i) The Company does not have any material related party transactions that may have potential conflict with the interests of the Company at large. The details of related party information and transactions are placed before the Audit Committee from time to time. The disclosures regarding the transactions with the related parties are disclosed in note no. 11 of Schedule 14 forming part of the Accounts.
- (ii) The Company has complied with all the guidelines provided by Stock Exchanges and SEBI or any other statutory authority and no penalties or strictures were imposed on the Company on any matter relating to the capital markets, during the last three years.
- (iii) The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has also fulfilled the following non-mandatory requirements as prescribed in Annexure (I) (D) of Clause 49 of the Listing Agreement with the Stock Exchanges:
 - (a) The Company has set up a Remuneration Committee as described above.
 - (b) Whistle Blower Policy

The Company has established a mechanism called “Whistle Blower Policy” which allows any employee to approach the management concern / the Audit Committee without necessarily informing their supervisors to report about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. Further, this mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism.

MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Results of the Company were sent to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. where the equity shares of the Company are listed and the same were published in various leading newspapers viz. Business Standard (Hindi & English), Financial Express (English) and Jansatta (Hindi).

The results have also been displayed at Company’s website www.orienttiles.com. The website of the Company also displays the information of the Company’s products, dealers, availability etc. There were no presentations made to the Institutional Investors or analysts.

AUDITOR’S CERTIFICATE ON CORPORATE GOVERNANCE

As required by clause 49 of the listing agreement, the auditor’s certificate is enclosed as Annexure-A to this report.

CEO / CFO CERTIFICATION

A certificate as stipulated in clause 49(v) of the Listing Agreement duly signed by the Executive Director and Chief Executive Officer, on financial statements of the Company is enclosed as Annexure-B to this report.

CODE OF CONDUCT

The Board has adopted a Code of Conduct for the Board Members and Senior Management of the Company. The same has also been posted on the website of the Company. All Board Members and Senior Management personnel have affirmed their compliance with the code. A declaration signed by the Chairman & Managing Director in this respect is given below:

“I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year ended on 31st March, 2011.”

Place: New Delhi
 Dated: 19th July, 2011

Sd/-
 Mahendra K. Daga
 Chairman & Managing Director

SUBSIDIARY COMPANIES

The Company does not have any non-listed Indian subsidiary. As on 31st March, 2011 the Company has only one subsidiary, M/s Bell Ceramics Limited, a Company listed on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. having its registered office at Village Dora, Taluka Amod, Distt. Bharuch – 392 230, Gujarat.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	02nd September, 2011
Time	11.30 a.m.
Venue	8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)

Financial Reporting for financial year 2011-12 is as follows:

Un-audited financial results for the first three quarters	Will be announced within 45 days of the end of respective quarter.*
Fourth / last Quarter financial results	Audited Annual Financial Results will be announced within 60 days of the end of the financial year.*

*Tentative & subject to change

Financial Year	1st April to 31st March
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BOOK CLOSURE DATES FOR THE PURPOSE OF DIVIDEND AND ANNUAL GENERAL MEETING

To determine the entitlement of shareholders to receive the dividend for the year ended 31st March 2011, the Register of Members and Share Transfer Books of the Company will remain closed from 26th August, 2011 to 02nd September, 2011 (both days inclusive) for the purpose of Annual General Meeting.

DIVIDEND PAYMENT FOR 2010-11

Dividend on Equity Shares as recommended by the Directors for the year ended 31st March 2011 when declared at the Annual General Meeting will be paid within 30 days of its declaration:

- to those members whose names appear on the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company on or before 26th August, 2011.
- in respect of shares held in electronic form, to those “deemed members” whose names appear in the statements of beneficial ownership furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of the business hours on 26th August, 2011.

LISTING

NAME OF STOCK EXCHANGES	STOCK CODE
Bombay Stock Exchange Ltd. (BSE) Floor 25, PJ Towers, Dalal Street, Mumbai – 400001	530365
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.	ORIENTCERA

The Company has duly paid the Annual Listing Fee to BSE and NSE up to 2011-12.

On 08-07-2011 the equity shares of the Company got delisted from Calcutta Stock Exchange.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The equity shares of the Company are in compulsory DEMAT mode. In order to enable the shareholders to hold their shares in electronic form and to facilitate scriptless trading, the Company has enlisted its shares with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

STATUS OF DEMATERIALIZATION AS ON 31ST MARCH, 2011

Electronic holdings			Physical holdings			Total		
No. of Folios	No. of Shares	%	No. of Folios	No. of Shares	%	No. of Folios	No. of Shares	%
3,266	1,00,43,782	95.38	683	4,86,218	4.62	3,949	1,05,30,000	100.00

The Company is making efforts to increase the dematerialization of shares.

Demat ISIN Number in NSDL and CDSL for Equity Shares : INE607D01018

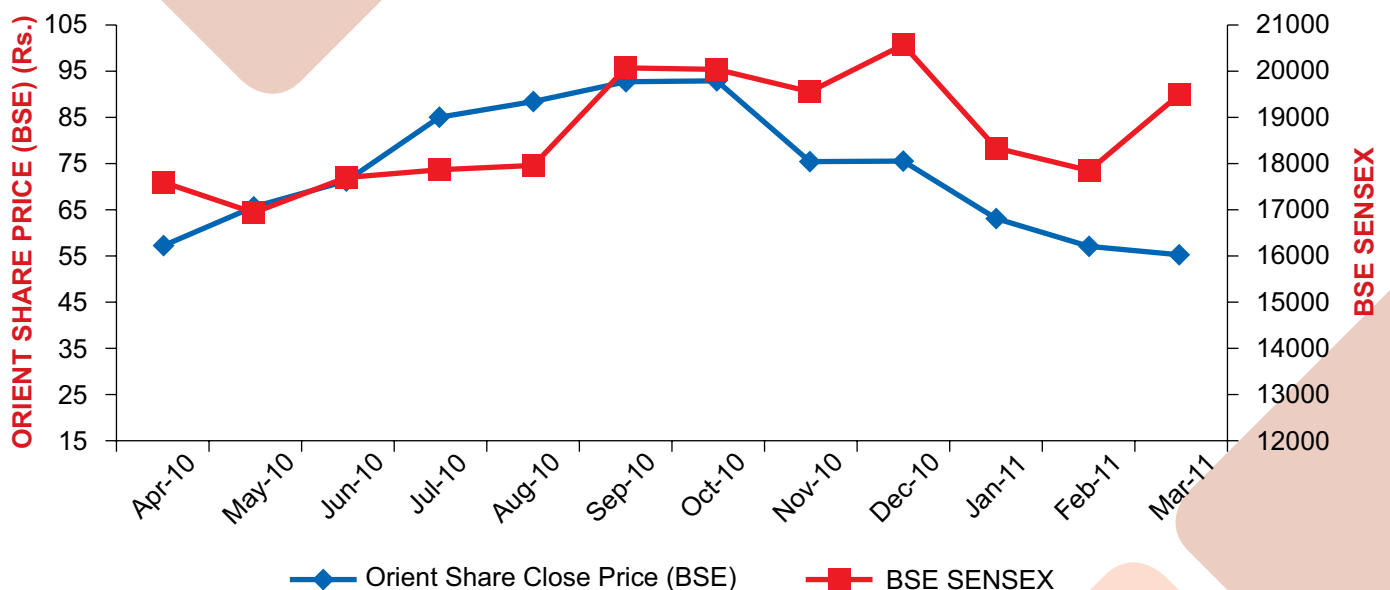
MARKET PRICE DATA

Monthly high and low quotations and also the volume of shares traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. in each month of 2010-11:

Month	Bombay Stock Exchange Ltd.				BSE Sensex Month Close	National Stock Exchange of India Ltd.			
	High (Rs.)	Low (Rs.)	Month close (Rs.)	No. of shares Traded		High (Rs.)	Low (Rs.)	Month Close (Rs.)	No. of shares Traded
Apr-10	61.00	51.25	57.30	56,348	17,558.71	61.15	48.00	58.25	85,640
May-10	69.75	52.75	65.20	1,44,360	16,944.63	74.00	53.35	65.70	1,62,646
Jun-10	74.85	60.35	71.15	54,546	17,700.90	74.00	63.00	71.30	69,267
Jul-10	94.80	71.05	84.80	1,95,236	17,868.29	97.95	70.55	84.40	3,96,989
Aug-10	99.30	81.00	88.70	12,91,147	17,971.12	98.50	83.00	88.75	14,13,529
Sep-10	104.85	87.50	92.70	4,77,123	20,069.12	104.50	82.55	93.15	8,24,992
Oct-10	107.75	90.70	92.60	2,69,321	20,032.34	111.00	90.10	93.20	6,84,379
Nov-10	98.00	65.50	75.60	76,343	19,521.25	98.90	70.10	74.15	1,21,264
Dec-10	84.95	64.00	75.55	33,801	20,509.09	80.95	63.15	75.40	39,094
Jan-11	79.30	60.00	62.90	36,075	18,327.76	79.05	58.50	60.50	46,974
Feb-11	69.65	47.65	57.00	27,054	17,823.40	66.00	47.75	57.00	59,155
Mar-11	69.60	52.25	55.20	65,410	19,445.22	71.00	52.65	55.35	1,48,806

STOCK PRICE PERFORMANCE

The performance of Company's Equity Shares during 2010-11 in comparison to Bombay Stock Exchange Ltd. Sensitive Index was as follows:



REGISTRAR AND SHARE TRANSFER AGENT

M/s MCS Ltd.

F-65, Okhla Industrial Area, Phase-I

New Delhi-110 020

Phone No. : (011) 41406149

Fax No. : (011) 41709881

E-mail : admin@mcsdel.com

SHARE TRANSFER SYSTEM

Shareholders / Investors are requested to send share transfer related documents to our Registrar and Share Transfer Agent/ Company. Shareholders/Investors Grievance and Share Transfer Committee is authorized to approve/reject transfer of shares. If the transfer documents are in order, our Registrar and Share Transfer Agent register the transfer of shares and return the duly endorsed share certificates within stipulated time frame.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011

No. of shares	Total shareholders	% Total shareholders	Total shares	% Total shares
Up to 1,000	3,520	89.14	8,01,022	7.61
1,001 to 2,000	218	5.52	3,03,488	2.88
2,001 to 3,000	91	2.30	2,22,543	2.11
3,001 to 4,000	25	0.63	88,180	0.84
4,001 to 5,000	25	0.63	1,15,413	1.10
5,001 to 10,000	37	0.94	2,47,041	2.35
10,001 to 50,000	19	0.48	3,47,273	3.30
50,001 and above	14	0.35	84,05,040	79.82
Total	3,949	100.00	1,05,30,000	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2011

Category	No. of Shares	% of total Shares
Promoter and Promoter Group	78,70,274	74.74
Bodies Corporate	2,41,368	2.29
General Public	23,99,184	22.79
NRIs / OCBs	19,174	0.18
Total	1,05,30,000	100.00

OUTSTANDING GDRS / ADRS / WARRANTS

There are no Global Depository Receipts (GDRs) / American Depository Receipt (ADRs) or any convertible instrument pending for conversion.

REGISTERED OFFICE:

8, Industrial Area
Sikandrabad-203 205
Distt. Bulandshahr (U.P.)

CORPORATE OFFICE & SHOWROOM:

Iris House
16, Business Centre
Nangal Raya
New Delhi-110 046
Phone : (011) 4711 9100, 2852 0168, 2852 1206
Fax : (011) 2852 1273
E-mail : investor@orienttiles.com
Website : www.orienttiles.com

PLANTS:

8, A-75 to A-80 & A-84,
Industrial Area,
Sikandrabad-203 205
Distt. Bulandshahr (U.P.)

ADDRESS FOR CORRESPONDENCE:

Shareholder Services
Orient Ceramics And Industries Ltd.
Iris House, 16, Business Centre
Nangal Raya, New Delhi-110 046
Phone : (011) 4711 9100, 28520168, 2852 1206
Fax : (011) 2852 1273
E-mail : investor@orienttiles.com
Website : www.orienttiles.com

ANNEXURE A

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE

To the members of

M/s. ORIENT CERAMICS AND INDUSTRIES LTD.

We have examined the compliance of the conditions of Corporate Governance by Orient Ceramics And Industries Ltd., for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither, an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

SANDEEP DINODIA
PARTNER
M.No. : 083689

Place: New Delhi
Dated: 15th July, 2011

ANNEXURE-B

The Board of Directors
Orient Ceramics And Industries Ltd.
Iris House, 16, Business Centre
Nangal Raya
New Delhi-110 046

Sirs,

Pursuant to the provisions of clause 49 of the Listing Agreement with the Stock Exchanges, We Madhur Daga, Executive Director and Vijay Shankar Sharma, Chief Executive Officer of the Company, hereby certify that :

- a) We have reviewed the financial statements and the cash flow statement for the year 2010-11 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - (i) there were no significant changes in internal control over financial reporting during the year;
 - (ii) that there have been no significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) that there have been no instances of any fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Madhur Daga
Executive Director

Vijay Shankar Sharma
Chief Executive Officer

Place: New Delhi
Date : 26th May , 2011

To the Shareholders of

M/S ORIENT CERAMICS AND INDUSTRIES LIMITED

We have audited the attached Balance sheet of M/S ORIENT CERAMICS AND INDUSTRIES LIMITED, as at 31st March, 2011 and the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 {as amended by the Companies (Auditor's Report) (Amendment) Order, 2004} issued by the Central Government of India, in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c) The Company's Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
 - iii) in the case of cash flow statement, of the cash flow for the year ended on that date.

For S. R. DINODIA & CO.
CHARTERED ACCOUNTANTS
REGN. NO. 01478N

SANDEEP DINODIA
PARTNER
M. No. 083689

Place: New Delhi
Dated: 26th May, 2011

ANNEXURE TO THE AUDITOR'S REPORT**(Referred to in paragraph 3 of our audit report of even date)**

- (I) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of major fixed assets has been conducted by the management at reasonable intervals. In our opinion, the program is reasonable having regard to the size of the Company and the nature of the fixed assets. No material discrepancies were noticed on such verification as compared to book records.
- (c) Fixed assets disposed off during the year were not substantial and therefore, do not effect the going concern assumption.
- (ii) (a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account.
- iii) (a) According to information and explanation given to us, the company had granted loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.13,04,02,707 and the year-end balance of loans taken from such parties was Rs.13,04,02,707.
- (b) In our opinion, the rate of interest and other terms and conditions on which loan have been granted to the company is not, prima facie, prejudicial to the interest of the Company.
- (c) In respect of the aforesaid, such amount is repayable on demand.
- (d) According to information and explanation given to us, the company had taken loan from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 10,32,60,000 and the year-end balance of loans taken from such parties was Rs.10,29,00,000.
- (e) In our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from the person listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (f) In respect of the aforesaid loan taken by the Company, the principal amount is repayable on demand and the interest amount has been paid as stipulated.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and for the sales of goods. Further, on the basis of our examination of the books and record of the Company, carried out in accordance with the generally accepted auditing practices, there is no continuing failure to correct the weaknesses in the aforesaid internal control systems.
- v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) The transactions made in pursuance of such contracts or arrangements have been made at prices, which are reasonable with regard to the prevailing market prices at the relevant times.

- vi) The Company has not accepted deposits within the meaning of section 58A, 58AA and the other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government has not prescribed under section 209(1)(d) of the Companies Act, 1956, for the maintenance of any accounts and record in respect of products manufactured by the Company.
- ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authority including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and any other statutory dues applicable to it.
- (b) According to the information & explanations given to us, no undisputed amount payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and other material statutory dues were in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) In our opinion and according to the information and explanations given to us, details of dues in respect of Sales Tax, Custom duty, Excise Duty, Service Tax, cess that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:

Name of the Statute	Nature of Dispute	Amount (Rs.)	Period	Forum where dispute is pending
Local Sales Tax Act	Entry tax and other dues	11,91,100	2000-01 & 2003-04	High Court
Local Sales Tax Act	Sales Tax	5,98,623	2003-04	High Court
Central Excise Act	Excise And Other Dues	1,25,860	2005-06	Assessing Authorities
Service Tax under the Ordinance Act, 1944	Service Tax	7,66,054	2000-01 to 2002-03	Assessing Authorities

- x) Company does not have any accumulated losses at the end of the financial year and has not incurred the cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks and financial institutions during the year. There were no dues payable to debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiii) In our opinion, the Company is not a chit fund or nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xvi) During the year the term loans were applied for the purposes for which the loans were obtained.

- xvii) On the basis of information and explanation given to us and on an overall examination of the balance sheet, we report that during the year no funds raised by the Company on short-term basis have been used for long-term investment.
- xviii) According to information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xix) During the year covered by our audit report, the Company has not issued any debentures. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx) According to the information and explanation given to us, during the year covered under audit the company has not raised any money by way of public issue. Therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, during the year we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For S. R. DINODIA & CO.
CHARTERED ACCOUNTANTS
REGN. NO. 01478N

SANDEEP DINODIA
PARTNER
M. No. 083689

Place: New Delhi
Dated: 26th May, 2011

(Amount in Rupees)

PARTICULARS	SCHEDULE	AS AT MARCH 31, 2011		AS AT MARCH 31, 2010	
I SOURCES OF FUNDS					
Shareholders Funds					
(a) Share Capital	1	10,53,00,000		10,53,00,000	
(b) Reserves and Surplus	2	58,29,20,051	68,82,20,051	50,97,59,099	61,50,59,099
Loan Funds					
(a) Secured Loans	3	72,44,56,861		53,53,30,618	
(b) Unsecured Loans	4	30,35,83,966	1,02,80,40,827	10,27,47,966	63,80,78,584
Deferred Tax Liability (Net)	5		4,50,81,511		5,45,30,700
TOTAL			1,76,13,42,389		1,30,76,68,383
II APPLICATION OF FUNDS					
Fixed Assets					
(a) Gross Block	6	2,07,32,24,491		1,99,63,50,498	
(b) Less : Accumulated Depreciation		1,28,23,97,493		1,18,82,91,206	
(c) Net Block		79,08,26,998		80,80,59,292	
(d) Capital Work-in-Progress		1,54,85,550	80,63,12,548	26,04,195	81,06,63,487
Investments	7		20,07,81,657		-
Current Assets, Loans and Advances					
(a) Inventories	8	69,05,24,594		57,36,51,718	
(b) Sundry Debtors		40,31,70,487		31,60,48,801	
(c) Cash and Bank Balances		1,89,42,385		1,59,94,748	
(d) Loans and Advances		30,13,64,898		13,43,94,051	
		1,41,40,02,364		1,04,00,89,318	
Less: Current liabilities and Provisions					
(a) Current Liabilities	9	62,91,65,215		51,31,69,136	
(b) Provisions		3,05,88,965		2,99,15,286	
		65,97,54,180		54,30,84,422	
Net Current Assets			75,42,48,184		49,70,04,896
TOTAL			1,76,13,42,389		1,30,76,68,383
Significant Accounting Policies and Notes to the Account	14				

As per our report of even date attached
For S.R.DINODIA & CO.
CHARTERED ACCOUNTANTS
Regn. No. 01478N

SANDEEP DINODIA
PARTNER
M. No. 083689

Place: New Delhi
Date: 26th May, 2011

For and on behalf of the Board

MAHENDRA K. DAGA
MADHUR DAGA
R. N. BANSAL
N. R. SRINIVASAN

VIJAY SHANKAR SHARMA
YOGESH MENDIRATTA

Chairman & Managing Director
Executive Director
Director
Director

Chief Executive Officer
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in Rupees)

PARTICULARS	SCHEDULE	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
INCOME			
Sales		3,11,96,57,825	2,69,74,84,383
Less : Excise Duty recovered on Sales		22,32,89,608	15,81,33,532
Net Sales		2,89,63,68,217	2,53,93,50,851
Other Income	10	8,98,97,623	2,11,91,094
Increase / (Decrease) in stocks	11	11,85,00,962	14,56,03,644
		3,10,47,66,802	2,70,61,45,589
EXPENDITURE			
Purchases (Traded Goods)		65,93,95,976	36,25,91,722
Manufacturing and Other Expenses	12	2,11,96,21,442	1,99,26,03,478
Finance Charges (Net)	13	8,32,25,254	6,76,23,111
Depreciation	6	9,77,88,114	10,82,11,602
		2,96,00,30,786	2,53,10,29,913
PROFIT			
Profit Before Tax		14,47,36,016	17,51,15,676
Provision for Current Tax		5,63,83,676	7,18,12,000
Provision for Deferred Tax Charge/(Release) [Refer to Note 10 of Schedule 14 (II)]	5	(94,49,189)	(1,26,10,022)
Provision for Fringe Benefit Tax		-	-
Provision for Wealth Tax		1,01,906	86,122
Profit after Tax		9,76,99,623	11,58,27,576
Income Tax Adjustments for earlier years		19,132	(12,35,983)
Prior period adjustments (Net)		-	-
Balance brought forward		23,92,53,729	19,92,19,939
Profit available for Appropriation		33,69,72,484	31,38,11,532
APPROPRIATION:			
Proposed Dividend		2,10,60,000	2,10,60,000
Provision for Tax on Dividend		34,97,803	34,97,803
Transfer to General Reserve		5,00,00,000	5,00,00,000
Surplus carried to Balance sheet		26,24,14,681	23,92,53,729
		33,69,72,484	31,38,11,532
Basic / Diluted Earning Per Share (Rs.) [Refer to Note 12 of Schedule 14(II)]		9.28	10.88
Significant Accounting Policies and Notes to the Account	14		

As per our report of even date attached
For S.R.DINODIA & CO.
CHARTERED ACCOUNTANTS
Regn. No. 01478N

SANDEEP DINODIA
PARTNER
M. No. 083689

Place: New Delhi
Date: 26th May, 2011

For and on behalf of the Board

MAHENDRA K. DAGA
MADHUR DAGA
R. N. BANSAL
N. R. SRINIVASAN

VIJAY SHANKAR SHARMA
YOGESH MENDIRATTA

Chairman & Managing Director
Executive Director
Director
Director

Chief Executive Officer
Company Secretary

(Amount in Rupees)

PARTICULARS	For the Year ended 31.03.2011	For the Year ended 31.03.2010
A Net Profit before Tax and Extra Ordinary Items	14,47,36,016	17,51,15,676
Adjustment for:		
Depreciation	9,77,88,114	10,82,11,601
Interest paid	8,96,48,268	7,35,28,330
Loss / (Profit) on sale of Assets (Net)	7,23,595	17,26,022
Foreign Exchange Fluctuation on Loan	(6,29,851)	(17,29,814)
Interest received	(64,23,014)	(59,05,219)
Sundry Balance Written Off	10,16,465	(8,48,864)
Operating Profit before Working Capital changes	32,68,59,593	35,00,97,732
Adjustment for :		
Trade and other Receivables	(20,20,51,620)	(8,79,87,639)
Inventories	(11,68,72,876)	(15,99,21,365)
Trade and other Payables	6,34,67,711	16,20,74,732
Cash Generated from Operations	7,14,02,808	26,42,63,460
Direct Taxes paid	(5,63,21,781)	(5,12,95,686)
Net Cash from Operating Activities	1,50,81,027	21,29,67,774
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(9,60,92,650)	(3,87,13,455)
Sale of Fixed Assets	19,31,879	7,54,696
Interest Received	64,23,014	59,05,219
Investment in Subsidiary Company	(20,07,81,657)	-
Net Cash used in Investing Activities	(28,85,19,414)	(3,20,53,540)
C Cash Flow From Financing Activities		
Proceeds from Long / Short term borrowings	-	-
Repayment of Long / Short term borrowings	39,05,92,095	(8,47,95,543)
Interest Paid	(8,96,48,268)	(7,35,28,330)
Dividend paid	(2,45,57,803)	(1,84,79,360)
Net Cash used in Financing Activities	27,63,86,024	(17,68,03,233)
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	29,47,637	41,11,001
Cash and Cash Equivalents		
Opening Balance	1,59,94,748	1,18,83,747
Closing Balance	1,89,42,385	1,59,94,748
Cash and Cash Equivalent Includes		
Cash in hand	3,70,576	1,64,402
Stamps in Hand	734	734
Balances with Scheduled Banks		
- In Current Accounts	3,23,733	18,87,749
- In Unpaid Dividend Accounts	10,37,561	8,33,213
- In Fixed Deposit Accounts	1,72,09,781	1,31,08,650
	1,89,42,385	1,59,94,748

Figures in bracket represents outflow

As per our report of even date attached
For S.R.DINODIA & CO.
CHARTERED ACCOUNTANTS
Regn. No. 01478N

SANDEEP DINODIA
PARTNER
M. No. 083689

Place: New Delhi
Date: 26th May, 2011

For and on behalf of the Board

MAHENDRA K. DAGA
MADHUR DAGA
R. N. BANSAL
N. R. SRINIVASAN

Chairman & Managing Director
Executive Director
Director
Director

VIJAY SHANKAR SHARMA
YOGESH MENDIRATTA

Chief Executive Officer
Company Secretary

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
1,50,00,000 Equity Shares of Rs. 10 each	15,00,00,000	15,00,00,000
	<u>15,00,00,000</u>	<u>15,00,00,000</u>
Issued, Subscribed and Paid-up		
1,05,30,000 Equity shares of Rs. 10 each fully paid up	10,53,00,000	10,53,00,000
	<u>10,53,00,000</u>	<u>10,53,00,000</u>
Out of the above Issued, Subscribed and Paid-up Capital :		
81,90,000 (P.Y.-81,90,000) Equity Shares of Rs. 10/- each are issued as fully paid up bonus shares by way of Capitalisation		
- Rs. 55,500 (P.Y.-55,500) from Capital Reserve,		
- Rs. 1,44,00,000 (P.Y.-1,44,00,000) from Share Premium,		
- Rs.6,74,44,500 (P.Y.-6,74,44,500) from General Reserve.		
SCHEDULE 2		
RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	27,05,05,370	22,05,05,370
Add: Transfer from Profit and Loss Account	<u>5,00,00,000</u>	<u>5,00,00,000</u>
	32,05,05,370	27,05,05,370
Profit and Loss Account	<u>26,24,14,681</u>	<u>23,92,53,729</u>
	<u>58,29,20,051</u>	<u>50,97,59,099</u>
SCHEDULE 3		
SECURED LOANS *		
Term Loans		
From Banks :		
- Rupee Loan	18,25,78,418	5,43,85,224
- Vehicle Loan	3,73,366	2,08,406
From Others :		
- Vehicle Loan	-	11,61,888
- Repayable within One Year - Rs. 6,97,57,076 (Previous Year - Rs. 5,57,55,518)		
Working Capital Loans		
From Banks :		
Demand Loans		
- Rupee Loan	17,00,00,000	14,36,58,515
Cash Credits		
- Rupee Loan	23,31,60,077	19,66,86,585
- Foreign Currency Loan	13,83,45,000	13,92,30,000
	<u>72,44,56,861</u>	<u>53,53,30,618</u>
*[Refer to Note No. 2 of Schedule 14 (II)]		
SCHEDULE 4		
UNSECURED LOANS		
Deposits :		
- Trade Deposits	5,02,83,966	4,23,22,966
Other Loans		
- from Directors	6,08,10,000	1,69,50,000
- from Others	19,24,90,000	4,34,75,000
	<u>30,35,83,966</u>	<u>10,27,47,966</u>
SCHEDULE 5		
DEFERRED TAX LIABILITY (NET)*		
Opening Balance	5,45,30,700	6,71,40,722
Charge / (Release) during the year	(94,49,189)	(1,26,10,022)
	<u>4,50,81,511</u>	<u>5,45,30,700</u>
*[Refer to Note No. 10 of Schedule 14 (II)]		

FIXED ASSETS

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2010	Addition/ Adjustment	Sales/ Adjust- ment	As at March 31, 2011	As at April 1, 2010	During the Year	Adjust- ments during the year	As at March 31, 2011	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010	
Tangible Assets												
Land												
- Lease hold	1,86,64,331	-	-	1,86,64,331	26,69,741	2,07,382	-	28,77,123	1,57,87,208	1,59,94,590		
- Free hold	13,53,55,939	3,80,314	-	13,57,36,253	-	-	-	-	13,57,36,253	13,53,55,939		
Building	26,71,79,172	61,41,023	-	27,33,20,195	7,81,00,331	83,40,229	-	8,64,40,560	18,68,79,635	18,90,78,841		
Leasehold Improvements	-	1,17,97,615	-	1,17,97,615	-	20,74,995	-	20,74,995	97,22,620	-		
Plant & Machinery	1,52,18,14,246	3,30,16,494	20,34,002	1,55,27,96,738	1,07,98,28,587	8,11,33,388	19,32,302	1,15,90,29,673	39,37,67,065	44,19,85,659		
Furniture and Fittings	1,83,50,113	2,30,14,293	-	4,13,64,406	68,96,401	28,70,372	-	97,66,773	3,15,97,633	1,14,53,712		
Vehicles	1,81,78,592	44,83,743	43,03,301	1,83,59,034	49,98,280	15,46,325	17,49,526	47,95,079	1,35,63,955	1,31,80,312		
Intangible Assets												
Specialized Softwares	1,68,08,106	43,77,813	-	2,11,85,919	1,57,97,867	16,15,423	-	1,74,13,290	37,72,629	10,10,239		
TOTAL	1,99,63,50,499	8,32,11,295	63,37,303	2,07,32,24,491	1,18,82,91,207	9,77,88,114	36,81,828	1,28,23,97,493	79,08,26,998	80,80,59,292		
Previous Year	1,95,75,56,266	4,33,83,000	45,88,768	1,99,63,50,498	1,08,21,87,653	10,82,11,602	21,08,049	1,18,82,91,206	80,80,59,292	87,53,68,613		
Capital Work in Progress									1,54,85,550	26,04,195		
GRAND TOTAL									80,63,12,548	81,06,63,487		

Notes :

1. Lease Deed of part of the land is yet to be executed in the name of the Company.
2. Capital Work in progress includes Capital Advances of Rs. 50,29,382.

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
SCHEDULE 7		
INVESTMENTS		
Long Term Quoted		
- Investment in Subsidiary Company (82,44,184 equity shares of Face Value Rs 10 each fully paid up)	20,07,81,657	-
	<u>20,07,81,657</u>	<u>-</u>
<i>Note: Aggregate market value of Quoted Investment Rs. 14,30,36,592.40 (P.Y. Nil)</i>		
SCHEDULE 8		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
Inventories		
(As taken, valued & certified by the Management)		
Stores and Spares	9,17,81,915	8,16,78,952
Raw Materials	10,00,46,675	11,08,38,787
Packing Materials	59,10,507	68,49,444
Finished goods	46,97,21,456	36,00,54,026
Stock in process	2,30,64,041	1,42,30,509
	<u>69,05,24,594</u>	<u>57,36,51,718</u>
Sundry Debtors		
(Considered good, unless otherwise specified)		
Debts outstanding for a period exceeding six months		
- Secured by Deposits	30,18,216	32,98,878
- Unsecured	2,21,01,112	2,23,21,030
- Doubtful & Unsecured	36,32,669	38,93,908
Other Debts		
- Secured by Deposits	1,93,53,661	1,54,91,130
- Unsecured	35,86,97,498	27,49,37,763
	<u>40,68,03,156</u>	<u>31,99,42,709</u>
- Less : Provision for Doubtful Debts	36,32,669	38,93,908
	<u>40,31,70,487</u>	<u>31,60,48,801</u>
Cash and Bank Balance		
Cash in hand	3,70,576	1,64,402
Stamps in Hand	734	734
Balances with Scheduled Banks		
- In Current Accounts	3,23,733	18,87,749
- In Unpaid Dividend Accounts	10,37,561	8,33,213
- In Fixed Deposit Accounts*	1,72,09,781	1,31,08,650
*Fixed Deposits of Rs.1,70,00,000 (P.Y.-Rs.1,30,18,650) against Margin Money.	<u>1,89,42,385</u>	<u>1,59,94,748</u>
*Fixed Deposits of Rs.2,09,781(P.Y.-Rs.90,000) pledged with Govt. Authorities.		

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
B. LOANS AND ADVANCES		
(Unsecured, Considered good, unless otherwise specified)		
Advance and Loans to Subsidiary Company	13,04,02,707	-
Advance recoverable in cash or in kind or for value to be received	12,34,09,305	8,54,43,470
Balance with Customs and Central Excise Authorities	4,75,52,886	4,89,50,581
	<u>30,13,64,898</u>	<u>13,43,94,051</u>
SCHEDULE 9		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors*	40,92,31,673	29,59,46,080
Unpaid Dividend **	10,37,561	8,33,213
Other Liabilities	21,88,95,981	21,63,89,843
	<u>62,91,65,215</u>	<u>51,31,69,136</u>
<i>* [Refer to Note No. 5 of Schedule 14 (II)]</i>		
<i>** The above does not include any amount due to Investor Education & Protection Fund.</i>		
B. PROVISIONS		
Income Tax*	22,42,983	20,98,314
Proposed Dividend	2,10,60,000	2,10,60,000
Dividend Tax	34,97,803	34,97,803
Leave Encashment	37,88,179	32,59,169
<i>*[Net of Advance Tax of Rs. 16,91,40,916 (P.Y.- Rs. 11,71,00,003)]</i>	<u>3,05,88,965</u>	<u>2,99,15,286</u>
SCHEDULE 10		
OTHER INCOME		
Scrap Sale	80,34,568	97,29,990
Export Incentives	63,04,239	5,23,162
Excess Liability Written Back (Net)	-	8,48,864
Surrender Value of Key Man Insurance Policy	6,78,43,851	-
Exchange Rate Fluctuation (Net)	6,29,851	17,29,814
Miscellaneous Income	70,85,114	83,59,264
	<u>8,98,97,623</u>	<u>2,11,91,094</u>
SCHEDULE 11		
INCREASE / (DECREASE) IN STOCKS		
Closing Stock		
- Finished Goods	46,97,21,456	36,00,54,026
- Stock in process	2,30,64,041	1,42,30,509
	<u>49,27,85,497</u>	<u>37,42,84,535</u>
Opening Stock		
- Finished Goods	36,00,54,026	20,29,66,677
- Stock in process	1,42,30,509	2,57,14,214
	<u>11,85,00,962</u>	<u>14,56,03,644</u>

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
SCHEDULE 12		
MANUFACTURING AND OTHER EXPENSES		
Raw Material Consumed:		
Opening Stock	11,08,38,787	14,23,62,729
Add : Purchases	62,40,43,974	57,78,62,707
Less : Closing Stock	10,00,46,675	11,08,38,787
Consumed during the year	63,48,36,086	60,93,86,649
Stores and Spares consumed	7,96,95,419	8,80,27,773
Packing Material consumed	11,28,11,900	9,97,16,536
Power and Fuel	49,49,06,226	43,93,30,357
Designing and Processing Charges	61,02,889	62,25,747
Rent	3,59,50,417	1,92,28,233
Repairs - Plant & Machinery	1,86,39,925	1,73,90,989
- Factory Building	34,34,607	49,26,532
- Others	48,90,557	35,13,522
Inc/(Dec) Excise Duty on Finished Stocks	40,99,571	3,83,34,691
Salaries, Wages and Bonus	29,98,97,113	26,12,17,511
Contribution to Provident and Other Funds	1,75,14,444	1,56,55,045
Employee's welfare	1,23,15,397	94,78,817
Insurance	31,32,584	1,17,53,464
Rates and Taxes	38,21,063	19,23,411
Communication Expenses	83,89,376	75,79,438
Travelling and Conveyance	6,04,52,012	5,47,60,926
Payment to Auditors	5,50,000	5,00,000
Directors Sitting Fees	2,97,500	2,97,500
Advertisement and Sales Promotion	4,62,66,557	4,08,47,099
Rebates, Commission and Incentives	12,09,07,588	12,66,66,634
Provision For Doubtful Debts	-	38,93,908
Transportation & Handling Charges	11,16,50,513	9,56,11,068
Loss on sale of Fixed Assets	7,23,595	17,26,022
Sundry Balances written-off	10,16,464	-
Miscellaneous Expenses	3,73,19,639	3,46,11,606
	<u>2,11,96,21,442</u>	<u>1,99,26,03,478</u>
SCHEDULE 13		
INTEREST AND FINANCE CHARGES (NET)		
On Fixed Loans	2,64,37,184	1,98,82,696
On Other Loans	5,28,36,783	4,88,54,917
Other Finance Charges	1,03,74,301	47,90,717
Less : Interest Received	64,23,014	59,05,219
TDS Rs.12,55,754/- (P.Y. -2,30,906/-)		
	<u>8,32,25,254</u>	<u>6,76,23,111</u>
<i>[Refer to Note No. 16 on Schedule 14 (II)]</i>		

SCHEDULE - 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNT

I. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The financial statements are prepared on the accrual basis under the historical cost convention in accordance with applicable mandatory accounting standards issued by Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires making of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. Fixed Assets

- Fixed Assets are recorded at their original cost of acquisition less accumulated depreciation. Cost is net of recoverable taxes and inclusive of freight, duties, taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.
- Glow-sign Boards, which have no salvage value is charged to the Profit & Loss Account.

4. Intangible Assets

All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 3 years.

5. Depreciation/ Amortization

- Depreciation is provided on straight-line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.
- The assets costing up to Rs. 5,000 are fully depreciated in the year of purchase.
- Leasehold properties are amortized over the period of respective lease.

6. Revenue/Expense Recognition

- Local sales are recognized at the point of dispatch of goods to the customers. It includes excise duty but excludes sales tax and trade discount.
- Export Sales are recognized on the basis of bill of lading date.
- Export incentives are accounted on accrual basis.
- Claims are accounted on acknowledgement from the appropriate authority.
- Purchase of material is recognized on the basis of receipt of material in the factory premises.
- Interest is recognized on time proportion basis.

7. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of the cost of assets. All other borrowing costs are recognized as expense in the year in which they are incurred.

8. CENVAT and Excise Duty

- CENVAT credit availed has been credited to the respective cost of stores & spares and capital goods.
- Excise duty has been accounted for on the basis of payments made in respect of goods cleared from the factory premises and provision made in the accounts for goods manufactured, which are lying in the bonded warehouses of the company as at the end of financial year.

9. Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of various components of inventory is determined as follows:

Raw Materials, Stores, Spares and Packing Material	Cost includes purchase price, non refundable duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on First In First Out (FIFO) basis.
Stock-in-process and Finished Goods	Cost includes material cost and also includes an appropriate portion of allocable overheads.
Traded Goods	Cost includes purchase price, duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on First In First Out (FIFO) basis.

10. Translation of Foreign Currency items

- Transactions denominated in Foreign Currencies are recorded at the exchange rate prevailing at the time of the transaction.
- Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account in the period in which they arise.
- Items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.

11. Taxes on Income

- Income-tax expense comprises current tax and deferred tax charge or release.
- Current Tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- Deferred tax resulting from timing difference between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Such assets are reviewed as at each balance sheet date to re-assess realization.

12. Employee Benefits

- Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit or loss account of the year in which related service is rendered.
- The company has defined contribution plans for the post employment benefits' namely provident fund and employee state insurance scheme. The company contributions in the above plans are charged to revenue every year.
- The company has defined benefit plans namely leave encashment/ compensated absence and gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each year.
- The company through its trust has taken a policy with Kotak Mahindra Old Mutual Life Insurance Ltd. to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of the employees at the year-end and the balance of funds with Kotak Mahindra Old Mutual Life Insurance Ltd. is provided for as liability in the books.

- Actuarial gains/losses are immediately taken to Profit and Loss account.
- Provisions for leave encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.
- Terminal benefits are recognized as an expense immediately.

13. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

14. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

15. Lease

Lease rentals in respect of assets taken under operating lease are charged to profit and loss account as per the terms of the lease agreement.

16. Earning Per Share

- Basic Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating Diluted Earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

17. Cash flow Statement

Cash flow statement is made as per the indirect method prescribed under Accounting Standard-3 “Cash Flow Statement” issued by Companies (Accounting Standard) Rules, 2006.

II NOTES TO THE ACCOUNT

1. Contingent Liabilities

(Amount in Rupees)

Particulars	As at March 31, 2011	As at March 31, 2010
a) Outstanding Letter of Credit (Net of Margins) furnished in favour of suppliers	9,99,88,526	3,96,82,881
b) Outstanding Guarantees furnished by Company's Banker in favour of Central Excise, Customs and Others (Net of Margins)	22,91,513	92,25,000
c) Custom/Excise Duty / Service Tax / Income Tax / Sales Tax demands and Show Cause notice issued against which company has preferred appeals. (During the year contingent liability of Rs. 7,72,980/- pending in consumer court has been settled)	1,28,52,661	1,62,20,709

2. The nature of Security for Secured Loans including Interest accrued thereon are :

- a. The Company has a consortium of five bankers namely State Bank of India, Punjab National Bank, IDBI Bank, Barclays Bank and Axis Bank (hereafter called the "Consortium") for secured loans borrowings.
- b.(i) The Corporate Loan from IDBI Bank and Axis Bank are secured by way of first pari passu charge on entire fixed assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the current assets of the company.
- b.(ii) The Corporate Loan from State Bank of India is secured by way of first pari passu charge on entire current assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the fixed assets of the company.
- c. The Working Capital Limit borrowed by the Company (whether by way of Cash Credit or Working Capital Demand Loan or Overdraft limit) from the Consortium is primarily secured by way of 1st pari passu charge on entire current assets of the company and collaterally by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.
- d. Vehicle loans are secured by way of hypothecation of respective vehicles.

3. Enterprise Resource Planning (ERP) - The financial accounting and manufacturing module of ERP Package as already implemented is still in the process of improvement. A few entries are recorded in the books manually to complete the accounting of current year.

4. In the opinion of the Board, the Current Assets, Loans & Advances are approximate to the value stated, if realised in the ordinary course of business.

5. Pursuant to amendments to schedule VI to Companies Act, 1956 vide Notification No. GSR 719 (E) dated 16th November 2007, the amount due to Micro, Small & Medium Enterprises have not been disclosed for the current year, as the company is in the process of identifying vendors registered under Micro, Small & Medium Enterprises Development Act, 2006 and gathering information to make the necessary disclosure.

6. Employees Benefits

(a) Defined Contribution Plans:

The company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the company is required to contribute a specified percentage of payroll costs. The company during the year recognised the following amount in the profit and loss Account under company's contribution to defined contribution plan.

(Amount in Rupees)

	For the year ended March 31,2011	For the year ended March 31,2010
Provident Fund	82,20,738	70,02,612
Employee State Insurance	31,20,949	21,88,860

(b) Defined Benefit Plans:

The employees' gratuity fund scheme managed by Kotak Mahindra Old Mutual Life Insurance Ltd. is a Defined Benefit Funded Plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. The obligation for Leave encashment is a defined unfunded benefit plan, which is recognized in the same manner as gratuity.

I. Net employee benefit expenses

(Amount in Rupees)

Particulars	For the year ended March 31,2011		For the year ended March 31,2010	
	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)
Current Service Cost	7,15,709	34,46,062	6,86,556	24,85,411
Interest Cost on benefit obligation	2,68,881	22,35,522	1,55,501	14,02,721
Expected return on plan assets	-	(12,84,923)	-	(7,20,458)
Past service cost	-	14,59,597	-	-
Actuarial(gain)/loss recognised in the year	10,13,488	(18,60,212)	18,71,831	17,32,289
Net benefit expense	19,98,078	39,96,046	27,13,888	48,99,963

II. Net Asset/(liability)

(Amount in Rupees)

Particulars	For the year ended March 31,2011		For the year ended March 31,2010	
	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)
Present Value of Defined Benefit Obligation	37,88,179	(3,22,41,220)	(32,59,169)	(2,70,97,237)
Fair value of Plan Assets	-	1,98,83,437	-	1,55,74,823
Net assets/(liability) recognised in B/Sheet	37,88,179	(1,23,57,783)	(32,59,169)	(1,15,22,414)

III. Changes in the Obligation

(Amount in Rupees)

Particulars	For the year ended March 31,2011		For the year ended March 31,2010	
	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)
Opening Defined Benefit Obligation	32,59,169	2,70,97,237	18,84,862	2,00,38,877
Interest cost	2,68,881	22,35,522	1,55,501	14,02,721
Current Service Cost	7,15,709	34,46,062	6,86,556	24,85,411
Benefits Paid	(14,69,068)	14,59,597	(13,39,581)	(17,54,484)
Actuarial (gain)/loss on obligation	10,13,488	(19,97,198)	18,71,831	49,24,712
Closing Defined Benefit Obligation	37,88,179	3,22,41,220	32,59,169	2,70,97,237

IV. Changes in the fair value of Plan assets are as follows:

(Amount in Rupees)

Particulars	As at March 31, 2011	As at March 31, 2010
	Gratuity (Funded)	Gratuity (Funded)
Opening fair value of Plan Assets	1,55,74,823	1,02,92,264
Expected return on Plan Assets	12,84,923	7,20,458
Contribution by employer	31,60,677	31,24,162
Benefits Paid	-	(17,54,484)
Actuarial gain/(loss) on Plan Assets	(1,36,986)	31,92,423
Closing fair Value Plan Assets	1,98,83,437	1,55,74,823

V. The major categories of Plan assets of the fair value of total plan assets are as follows in percentage:

Particulars	As at March 31, 2011	As at March 31, 2010
	Gratuity (Funded)	Gratuity (Funded)
Insured with Kotak Mahindra Old mutual life Insurance Ltd.	99.9%	99.3%
Bank Balance	0.1%	0.7%

VI. The principal assumptions used in determining gratuity and leave liability for the company's plans are as under:

Particulars	As at March 31,2011		As at March 31,2010	
	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)
Discount Rate	8.25%	8.25%	8.25%	8.25%
Rate of increase in compensation	6.00%	6.00%	6.00%	6.00%
Rate of return on Plan assets (for gratuity)	-	8.25%	-	8.25%
Mortality (Published notes under the LIC (1994-96) duly modified)				

Note:

- (i) Actuarial's valuation is based on escalation in future salary on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(Amount in Rupees)

	For the year ended March 31,2011	For the year ended March 31,2010
7. a) Managerial Remuneration:		
(i) Salary	1,79,00,000	1,53,00,000
(ii) Contribution to Provident Fund	9,360	9,360
(iii) Perquisites	3,06,809	2,77,238
(iv) Commission	-	12,00,000
	1,82,16,169	1,67,86,598
Managerial Remuneration does not include incremental liability for gratuity & leave encashment.		
b) Computation of Net Profit in accordance with the provisions of section 349 read with section 198 and 309 of the Companies Act, 1956.		
Profit before Tax	14,47,36,016	17,51,15,676
Add : Directors Sitting Fees	2,97,500	2,97,500
Directors Remuneration	1,82,16,169	1,67,86,598
Non-Executive Directors Commission	-	6,00,000
Provision for Doubtful Debts	-	38,93,908
Loss / (Profit) on Sale of Fixed Assets	7,23,595	17,26,022
Profit u/s 349	16,39,73,280	19,84,19,704
Commission Payable*	-	12,00,000.00
<i>*Amount of Commission is arrived at to keep the overall Remuneration within the limits specified in Schedule XIII of the Companies Act, 1956.</i>		
Maximum Permissible remuneration to managerial persons as per sections 198 & 309 of the Companies Act, 1956	1,63,97,328	1,98,41,970
Remuneration Paid	1,82,16,169	1,67,86,598
Excessive Remuneration**	18,18,841	-
<i>**During the financial year 2010-11, Managerial Remuneration was paid in excess by Rs. 18,18,841/- to Mr. Mahendra K. Daga, the Chairman and Managing Director which was duly approved by the Ministry of Corporate Affairs, Govt of India vide SRN No. A75337345/4/2010-CL-VII dated 19th November 2010.</i>		

(Amount in Rupees)

	For the year ended March 31,2011	For the year ended March 31,2010
8. Auditor's Remuneration (excluding service tax):		
(i) Audit Fees	4,50,000	4,00,000
(ii) Tax Audit Fees	1,00,000	1,00,000
(iii) Certification and other matters	1,22,500	1,30,000
(iv) Out of pocket expenses	26,113	-
	6,98,613	6,30,000

9. Additional information pursuant to the provisions of paragraph 3 & 4 of Schedule VI of the Companies Act, 1956

A. Capacity and Production of Ceramic Tiles	Unit	As at March 31, 2011	As at March 31, 2010
Licensed Capacity	M.T.	N.A.	N.A.
Installed Capacity *	M.T.	2,20,000	2,20,000
Production	M.T.	1,84,065	1,77,943

*Above Installed Capacity is certified by the Management.

B. (i) Stocks and Sales of Manufactured Goods	Unit	As at March 31, 2011		As at March 31, 2010	
		Qty	Value (Rupees)	Qty	Value (Rupees)
Opening Stock	MT	29,638	33,68,68,909	22,591	19,47,68,138
Closing Stock	MT	37,866	42,91,73,458	29,638	33,68,68,909
Sales	MT	1,75,836**	2,43,45,52,026	1,70,896**	2,31,37,67,457
(ii) Stocks, Purchases and Sales of Traded Goods					
Tiles:					
Opening Stock	Cartons	97,606	2,31,06,361	22,762	72,75,187
Purchases	Cartons	23,96,097	65,93,95,976	21,27,550	36,25,91,722
Sales	Cartons	23,69,514	68,50,51,639	20,52,706	38,30,89,110
Closing Stock	Cartons	1,24,189	4,05,01,001	97,606	2,31,06,361
Others:					
Opening Stock	Pcs.	98,291	78,756	1,15,563	9,23,352
Purchases	Pcs.	-	-	-	-
Sales	Pcs.	11,034**	54,159	17,272**	6,27,816
Closing Stock	Pcs.	87,257	46,997	98,291	78,756

**Includes own consumption, breakages & samples

C. Raw Materials Consumed	As at March 31, 2011		As at March 31, 2010	
	Qty	Value (Rupees)	Qty	Value (Rupees)
Clay & Minerals	2,07,356	30,91,59,952	1,97,907	30,64,51,771
Chemicals & Glaze Materials	10,007	32,56,76,134	9,165	30,29,34,879
	2,17,363	63,48,36,086	2,07,072	60,93,86,650

D. Value of Imported & Indigenous Raw Material, Spare Parts and Components Consumed

	As at March 31, 2011		As at March 31, 2010	
	Value (Rupees)	%	Value (Rupees)	%
Raw Materials:				
- Imported	4,65,48,820	7.33%	4,02,19,389	6.60%
- Indigenous	58,82,87,266	92.67%	56,91,67,261	93.40%
	63,48,36,086	100.00%	60,93,86,650	100.00%
Stores and Spares:				
- Imported	2,22,79,551	27.96%	3,86,08,256	43.86%
- Indigenous	5,74,15,868	72.04%	4,94,19,517	56.14%
	7,96,95,419	100.00%	8,80,27,773	100.00%

(Amount in Rupees)

E. C.I.F. Value of Imports	As at March 31, 2011	As at March 31, 2010
(i) Raw Materials	5,88,27,143	3,64,61,107
(ii) Stores and Spares	3,52,27,159	4,71,56,818
(iii) Finished Goods	79,65,784	-
(iv) Capital Goods	69,20,668	1,52,85,066

(Amount in Rupees)

F. Gross Expenditure in Foreign Currency (Payment basis)	As at March 31, 2011	As at March 31, 2010
- Travelling	34,39,865	20,03,610
- Membership & Subscription	49,170	17,339
- Payment to Technicians	-	1,98,305
- Designing & Processing	53,38,164	51,56,477
	88,27,199	73,75,731

(Amount in Rupees)

G. F.O.B. Value of Exports	As at March 31, 2011	As at March 31, 2010
	8,03,66,369	66,91,513

10. As per the Accounting Standard 22 "Accounting for Taxes on Income" issued by the Companies (Accounting Standards) Rules, 2006, the Company estimates the deferred tax charge / (release) using the applicable rate of taxation based on the impact of timing difference between financial statement and estimated taxable income for the current year. The Components of deferred tax balances are as follows :

(Amount in Rupees)

Particulars	Opening as at April 1,2010	Charge / (Release) during the year	Closing as at March 31,2011
(i) Depreciation / Amortisation	6,09,46,482	(92,32,415)	5,17,14,067
(ii) Disallowance under the Income tax Act, 1961	(64,15,782)	(2,16,774)	(66,32,556)
Net Balance DTL/(DTA)	5,45,30,700	(94,49,189)	4,50,81,511

11. As per Accounting Standard 18 “Related Party Disclosures” issued by the Companies (Accounting Standard) Rules, 2006 related parties and transactions with related parties are as follows:

(i) Related Parties:

- A Subsidiary Company
 - (a) Bell Ceramics Ltd
- B Associates
 - (a) Freesia Investment and Trading Co. Ltd.
 - (b) Goodteam Investment & Trading Co. Pvt. Ltd.
 - (c) Alfa Mercantile Ltd.
 - (d) Morning Glory Leasing & Finance Ltd.
 - (e) Iris Designs Pvt. Ltd.
 - (f) Orient Rave Mercantile Ltd.
 - (g) Mahendra K. Daga - HUF
- C Key Managerial Personnel
 - (a) Mahendra K. Daga
 - (b) Madhur Daga
- D Relatives of key Managerial Personnel
 - (a) Sarla Daga w/o Mahendra K. Daga
 - (b) Roma Monisha Sakraney Daga w/o Madhur Daga

(ii) Disclosure of transactions between the Company and related parties and status of outstandings as on 31st March, 2011

(Amount in Rupees)

Particulars	Subsidiary Company	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel
Nature of Transaction:				
(i) Loan received	-	1,00,50,000	5,92,10,000	2,71,50,000
	-	(32,00,000)	(99,63,780)	(-)
(ii) Loan given	13,04,02,707	3,31,25,000	4,10,000	-
	-	(2,05,75,000)	(2,50,02,786)	(-)
(iii) Interest payment	-	30,79,738	50,57,712	14,70,001
	-	(51,39,474)	(22,46,411)	-
(iv) Hire Charges paid	-	55,80,032	-	-
	-	(58,74,839)	(-)	(-)

Particulars	Subsidiary Company	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel
(v) Rent paid	-	8,32,140	-	24,000
	-	(8,32,140)	(-)	(24,000)
(vi) Managerial Remuneration	-	-	1,82,16,169	-
	-	(-)	(1,67,86,598)	(-)
(vii) Security Deposit Paid	-	90,000	-	-
	-	(9,30,000)	(-)	(-)
(viii) Security Deposit Received	-	5,15,000	-	-
	-	(2,35,000)	(-)	(-)
(ix) Consultancy Charges	-	3,00,000	-	-
	-	(3,00,000)	(-)	(-)
(x) Salary	-	-	-	-
	-	(-)	(-)	(4,91,285)
(xi) Purchases	4,79,544	-	-	-
	(-)	(-)	(-)	(-)
(xii) Sales	1,79,24,356	-	-	-
	(-)	(-)	(-)	(-)
(xiii) Other Charges	2,53,786	-	-	-
	(-)	(-)	(-)	(-)
Outstandings as on 31.03.2011				
(i) Unsecured Loans Receivable	13,04,02,707	2,04,00,000	7,57,50,000	2,71,50,000
	(-)	(4,34,75,000)	(1,69,50,000)	(-)
(ii) Other Current Liabilities	7,33,330	67,500	-	-
	(-)	(2,54,263)	(-)	(-)
(iii) Other Current Assets	1,65,96,911	27,33,035	-	-
	(-)	(31,58,035)	(-)	(-)

Figures in brackets represents previous year amounts

(iii) Disclosure in respect of material transactions with related parties

(Amount in Rupees)

Particulars	As at March 31, 2011	As at March 31, 2010
a) Loan Received		
Mahendra K. Daga	2,61,10,000	76,00,000
Madhur Daga	1,79,00,000	23,63,780
Mahendra K. Daga - HUF	1,52,00,000	-
Sarla Daga	2,71,50,000	-

Particulars	As at March 31, 2011	As at March 31, 2010
b) Loan Given		
IRIS Designs Pvt. Ltd.	3,01,50,000	1,25,00,000
Bell Ceramics Ltd.	13,04,02,707	-
c) Interest Payments		
Goodteam Investment & Trading Co. Pvt. Ltd.	17,87,711	13,67,575
IRIS Designs Pvt. Ltd.	12,30,602	33,28,234
Mahendra K. Daga	28,11,852	19,44,562
Madhur Daga	14,14,698	-
Sarla Daga	14,70,001	-
d) Hire Charges Paid		
Freesia Investment and Trading Co. Ltd.	55,80,032	58,74,839
e) Rent Paid		
Freesia Investment and Trading Co. Ltd.	6,66,000	6,66,000
f) Security Deposit Paid		
Freesia Investment and Trading Co. Ltd.	90,000	9,30,000
g) Security Deposit Received		
Freesia Investment and Trading Co. Ltd.	5,15,000	2,35,000
h) Consultancy Charges		
Morning Glory Leasing & Finance Ltd.	3,00,000	3,00,000
i) Salary Paid		
Roma Monisha Sakraney Daga	-	4,91,285
j) Purchases	4,79,544	-
Bell Ceramics Ltd.		
k) Sales	1,79,24,356	-
Bell Ceramics Ltd.		
l) Other Charges	2,53,786	-
Bell Ceramics Ltd.		

12. Earnings Per Share (EPS) - The numerators and denominators used to calculate basic and diluted EPS:

(Amount in Rupees)

Particulars		As at March 31, 2011	As at March 31, 2010
Profit attributable to the Equity Shareholders (A)	Rupees	9,77,18,755	11,45,91,593
Basic/Weighted Average number of Equity Shares outstanding during the year (B)	Nos.	1,05,30,000	1,05,30,000
Basic / Diluted Earnings per Share (A / B)	Rupees	9.28	10.88

13. The Company has taken some assets on Non cancellable operating lease. Vehicle lease rent amounting Rs.55,80,032/- (PY- Rs.58,74,839/-) and Showroom lease rent amounting Rs. 63,00,000/- (PY- Rs. 4,23,388/-) has been debited to Profit and Loss Account. The future minimum lease payment is as under:

(Amount in Rupees)

Particulars	As at March 31, 2011	As at March 31, 2010
Not later than one year	1,01,74,500	1,07,80,500
Later than one year and not later than five years	64,39,000	1,44,96,000
Later than five years	-	-
Total	1,66,13,500	2,52,76,500

Detail of Lease agreements is enumerated below:

Property taken on lease	Date of termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Vehicles	Various Agreement	No	Not Applicable	No
Showroom	15th Feb 2013	No	At 18% enhancement (after 15/02/2013)	No

14. (i) The company is engaged in manufacture of Ceramic and Vitrified tiles. The entire operations are governed by same set of risk and returns. Hence, the same has been considered representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard-17 on Segment Reporting.
- (ii) The company sells its products mostly within India with insignificant export income and does not have any operations in economic environments with different risk and returns, hence, its considered operating in single geographical segment.
15. Derivative Contracts entered into by the company and outstanding as on 31st March 2011 :
- (i) Nominal amount of derivatives including forward contracts entered into by the company and outstanding as on 31.03.11 amounts to Rs. 1,37,74,899/- (Previous Year Rs. 16,15,88,958/-).
- (ii) All Derivative contracts entered into by the company are for hedging purposes only.
- (iii) During the year the company has provided Rs. 81,86,295/- towards premium on forward exchange contracts. (Previous Year Rs. 68,92,388/-).
- (iv) The amount of Unhedged Exposure as on 31.03.2011 is Rs. 91,04,603/-
16. The interest received includes the following interest: **Amount/Rupees**
- | | |
|--|------------------|
| - On Fixed Deposits | 36,38,257 |
| - On Security Deposit with Electricity Board | 9,52,229 |
| - On Loans/ Advances from Subsidiary Company | 17,80,786 |
| - From Employees against loan given to them | 51,742 |
| | 64,23,014 |
17. Balances of certain Sundry Creditors and Debtors are subject to confirmation.
18. The previous year's figures have been regrouped, rearranged and reclassified, wherever necessary.

For and on behalf of the Board

MAHENDRA K. DAGA	Chairman & Managing Director
MADHUR DAGA	Executive Director
R. N. BANSAL	Director
N. R. SRINIVASAN	Director
VIJAY SHANKAR SHARMA	Chief Executive Officer
YOGESH MENDIRATTA	Company Secretary

Place: New Delhi
Date: 26th May, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i) REGISTRATION DETAILS

Registration No.	21546	State Code	20
Balance Sheet Date	31.03.2011		

ii) CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. '000)

Public Issue	Nil	Right Issue	Nil
Private Placement	Nil	Bonus Issue	Nil

iii) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. '000)

Total Liabilities	17,61,343	Total Assets	17,61,343
Sources of Funds		Application of Funds	
Paid-up Capital	1,05,300	Net Fixed Asset	8,06,313
Reserves & Surplus	5,82,920	Investments	2,00,782
Deferred Tax Liability	45,082	Net Current Assets	7,54,248
Secured Loans	7,24,457	Miscellaneous Expenditure	-
Unsecured Loans	3,03,584		

iv) PERFORMANCE OF COMPANY (AMOUNT IN Rs. '000)

Turnover	31,04,767	Total Expenditure	29,60,031
Profit/Loss before Tax	1,44,736	Profit/Loss after Tax	97,700
Earning per Share (in Rs.)	9.28	Dividend Rate	20%

v) NAME OF GENERIC PRINCIPAL PRODUCTS

Item Code No.(ITC)	6906.10	Product Description	Ceramic Tiles
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For and on behalf of the Board

MAHENDRA K. DAGA	Chairman & Managing Director
MADHUR DAGA	Executive Director
R. N. BANSAL	Director
N. R. SRINIVASAN	Director
VIJAY SHANKAR SHARMA	Chief Executive Officer
YOGESH MENDIRATTA	Company Secretary

Place: New Delhi
Date: 26th May, 2011

CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF ORIENT CERAMICS AND INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have examined the attached Consolidated Balance Sheet of Orient Ceramics And Industries Limited and its subsidiary as at 31st March, 2011, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of Orient Ceramics And Industries Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21-Consolidated Financial Statements, notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of separate audited financial statements of Orient Ceramics And Industries Limited and its subsidiary included in the consolidated financial statements.

Based on our audit and other financial information of the subsidiary of Orient Ceramics And Industries Limited, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Consolidated Balance Sheet, of the consolidated state of affairs of Orient Ceramics And Industries Limited and its subsidiary as at March 31st 2011;
- (b) In case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Orient Ceramics And Industries Limited and its subsidiary for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Orient Ceramics And Industries Limited and its subsidiary for the year ended on that date.

**FOR S.R. DINODIA & CO.,
CHARTERED ACCOUNTANTS,
REGN. NO. 001478N
(SANDEEP DINODIA)
PARTNER
M. No. 083689
Place: New Delhi
Dated: 26th May, 2011**

INFORMATION ON THE FINANCIALS OF THE SUBSIDIARY COMPANY

(As per General Circular no. 1/2011 dated 08 February, 2011 issued by Ministry of Corporate Affairs)

(Amount in Rupees/ lacs)

Name of Subsidiary Company	Bell Ceramics Limited
Capital	1,217.38
Reserves	7,684.90
Total Assets	22,210.54
Total Liabilities	13,308.26
Investment made by Subsidiary	-
Revenues (Turnover & other income)	4,786.55
Profit before Taxation	258.22
Provisions for Taxation	(54.55)
Profit after Tax	312.77
Proposed Dividend	-

(Amount in Rupees/Lacs)

PARTICULARS	SCHEDULE	AS AT MARCH 31, 2011	
I SOURCES OF FUNDS			
Shareholders Funds			
(a) Share Capital	1	1,053.00	
(b) Reserves and Surplus	2	10,642.09	11,695.09
Minority Interest			2,823.89
Loan Funds			
(a) Secured Loans	3	13,635.29	
(b) Unsecured Loans	4	4,388.07	18,023.36
Deferred Tax Liability	5		450.83
			32,993.17
II APPLICATION OF FUNDS			
Goodwill			895.61
Fixed Assets	6		
(a) Gross Block		51,268.71	
(b) Less : Accumulated Depreciation		27,052.60	
(c) Net Block		24,216.11	
(d) Capital Work-in-Progress		154.86	24,370.97
Deferred Tax Asset	5A		570.81
Current Assets, Loans and Advances	7		
(a) Inventories		10,318.09	
(b) Sundry Debtors		5,227.51	
(c) Cash and Bank Balances		245.61	
(d) Loans and Advances		2,064.79	
		17,856.00	
Less: Current Liabilities and Provisions	8		
(a) Current Liabilities		10,394.33	
(b) Provisions		305.89	
		10,700.22	
Net Current Assets			7,155.78
			32,993.17
Significant Accounting Policies and Notes to the Account	13		

As per our report of even date attached
For S.R.DINODIA & CO.

CHARTERED ACCOUNTANTS
Regn. No. 01478N

SANDEEP DINODIA
PARTNER
M. No. 083689

Place: New Delhi
Date: 26th May, 2011

For and on behalf of the Board

MAHENDRA K. DAGA
MADHUR DAGA
R. N. BANSAL
N. R. SRINIVASAN

Chairman & Managing Director
Executive Director
Director
Director

VIJAY SHANKAR SHARMA
YOGESH MENDIRATTA

Chief Executive Officer
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in Rupees/ Lacs)

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED MARCH 31, 2011
INCOME		
Sales		35,840.00
Less : Excise Duty recovered on Sales		2,611.00
Net Sales		33,229.00
Other Income	9	1,005.06
Increase / (Decrease) in stocks	10	1,254.00
		35,488.06
EXPENDITURE		
Purchases (Traded Goods)		6,571.32
Manufacturing and Other Expenses	11	25,064.70
Finance Charges (Net)	12	1,580.91
Depreciation	6	1,258.87
		34,475.80
PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX		
		1,012.26
Exceptional Items		727.94
Prior Period Adjustments		(64.07)
PROFIT / (LOSS) BEFORE TAX		1,676.13
PROFIT		
Profit Before Tax		1,676.13
Provision for Current Tax		563.84
Provision for Deferred Tax Charge/(Release)		(149.04)
Provision for Wealth Tax		1.02
Profit after Tax		1,260.31
Income Tax Adjustments for earlier years		0.19
Minority Interest		626.47
Profit after Minority Interest & balance brought forward		3,068.74
		3,702.77
APPROPRIATION:		
Proposed Dividend		210.60
Provision for Tax on Dividend		34.98
Transfer to General Reserve		500.00
Surplus carried to Balance sheet		2,957.19
		3,702.77
Basic / Diluted Earning Per Share (Rs.)		
[Refer to Note 12 of Schedule 13(II)]		
Significant Accounting Policies and Notes to the Account	13	

As per our report of even date attached

For S.R.DINODIA & CO.

CHARTERED ACCOUNTANTS

Regn. No. 01478N

SANDEEP DINODIA

PARTNER

M. No. 083689

Place: New Delhi

Date: 26th May, 2011

For and on behalf of the Board

MAHENDRA K. DAGA

MADHUR DAGA

R. N. BANSAL

N. R. SRINIVASAN

VIJAY SHANKAR SHARMA

YOGESH MENDIRATTA

Chairman & Managing Director

Executive Director

Director

Director

Chief Executive Officer

Company Secretary

(Amount in Rupees/Lacs)

PARTICULARS	For the Year ended 31.03.2011
A Net Profit before Tax	1,705.56
Adjustment for:	
Depreciation	1,249.76
Interest paid	1,194.45
Loss / (Profit) on sale of Assets (Net)	7.24
Foreign Exchange Fluctuation on Loan	(6.30)
Interest received	(64.23)
Sundry Balance Written Off	81.76
Provision for bad and doubtful debts	1.40
Provision for doubtful debts no longer required	(71.05)
Amounts written back	(214.60)
Provision for Gratuity & Leave Encashment	19.87
Prior Period & extra ordinary items	(64.07)
Operating Profit before Working Capital changes	3,839.80
Adjustment for :	
Trade and other Receivables	(2,308.92)
Inventories	(1,363.59)
Trade and other Payables	902.70
Cash Generated from Operations	1,069.99
Direct Taxes paid	(642.95)
Net Cash from Operating Activities	427.04
B Cash Flow from Investing Activities	
Purchase of Fixed Assets	(979.11)
Sale of Fixed Assets	19.32
Interest Received	64.71
Investment in Subsidiary Company	(2,007.82)
Net Cash used in Investing Activities	(2,902.89)
C Cash Flow From Financing Activities	
Proceeds from Long / Short term borrowings	(412.28)
Repayment of Long / Short term borrowings	5,122.01
Interest Paid	(1,736.41)
Dividend paid	(245.58)
Expenses paid debited to Capital Restructuring Account	(0.80)
Net Cash used in Financing Activities	2,726.94
Net increase represented by closing cash (A+B+C)	251.09

As per our report of even date attached
For S.R.DINODIA & CO.
CHARTERED ACCOUNTANTS
Regn. No. 01478N

SANDEEP DINODIA
PARTNER
M. No. 083689

Place: New Delhi
Date: 26th May, 2011

For and on behalf of the Board

MAHENDRA K. DAGA
MADHUR DAGA
R. N. BANSAL
N. R. SRINIVASAN

Chairman & Managing Director
Executive Director
Director
Director

VIJAY SHANKAR SHARMA
YOGESH MENDIRATTA

Chief Executive Officer
Company Secretary

(Amount in Rupees/ Lacs)

PARTICULARS	AS AT MARCH 31, 2011
SCHEDULE 1	
SHARE CAPITAL	
Authorised	
1,50,00,000 Equity Shares of Rs. 10 each	1,500.00
	<u>1,500.00</u>
Issued, Subscribed and Paid-up	
1,05,30,000 Equity shares of Rs. 10 each fully paid up	1,053.00
	<u>1,053.00</u>
Out of the above Issued, Subscribed and Paid-up Capital: 81,90,000 Equity Shares of Rs. 10/- each are issued as fully paid up bonus shares by way of Capitalisation	
- Rs. 55,500 from Capital Reserve,	
- Rs. 1,44,00,000 from Share Premium,	
- Rs.6,74,44,500 from General Reserve.	
SCHEDULE 2	
RESERVES AND SURPLUS	
CAPITAL RESERVE	
<i>[Refer Note No. 7 of Schedule 13(II)]</i>	
Opening Balance	25.57
	<u>25.57</u>
CAPITAL RESTRUCTURING RESERVE	
Opening Balance	46.96
Additions during the year (Net of Expenses)	(0.80)
	<u>46.16</u>
SECURITIES PREMIUM ACCOUNT	
Opening Balance	1,000.00
Additions during the year	-
	<u>1,000.00</u>
REVALUATION RESERVE	
Opening Balance	6,648.05
Additions/(Deletion) during the year	(34.88)
	<u>6,613.17</u>
PROFIT AND LOSS ACCOUNT	
	<u>2,957.19</u>
	<u>10,642.09</u>

(Amount in Rupees/Lacs)

PARTICULARS	AS AT MARCH 31, 2011
SCHEDULE 3	
SECURED LOANS*	
TERM LOANS	
From Banks :	
- Rupee Loan	6,604.83
- Vehicle Loan	3.73
From Others :	
- Hire Purchase Loans	6.02
- Interest accrued & due	-
- Amount Repayable within one year - Rs. 1,412.77	
WORKING CAPITAL LOANS	
From Banks :	
Demand Loans	
- Rupee Loan	1,700.00
Cash Credits	
- Rupee Loan	3,937.25
- Foreign Currency Loan	1,383.45
	13,635.29
<i>*[Refer to Note No. 2 of Schedule 13 (II)]</i>	
SCHEDULE 4	
UNSECURED LOANS	
Deposits :	
- Trade Deposits	933.79
Other Loans	
- from Directors	608.10
- from Others	2,775.65
- Interest accrued and due	70.53
	4,388.07
SCHEDULE 5*	
DEFERRED TAX LIABILITY	
Opening Balance	545.32
Charge / (Release) during the year	(94.49)
	450.83
SCHEDULE 5A*	
DEFERRED TAX ASSET	
Opening Balance	516.26
Charge / (Release) during the year	54.55
	570.81
<i>* [Refer to Note No. 10 of Schedule 13 (II)]</i>	

SCHEDULE 6

FIXED ASSETS

(Amount in Rupees/Lacs)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	Opening Block	Addition/ Adjustment	Sales/ Adjust-ment	As at March 31, 2011	Opening Depreciation	Depreciation Charge	Adjustments during the year	As at March 31, 2011	As at March 31, 2011
Tangible Assets									
Land									
- Lease hold	186.64	-	-	186.64	26.70	2.07	-	28.77	157.87
- Free hold	1,353.56	4,452.83	-	5,806.39	-	-	-	-	5,806.39
Building	2,671.79	5,673.87	-	8,345.66	2,091.87	108.16	34.88	2,165.15	6,180.51
Leasehold Improvements	-	117.98	-	117.98	-	20.75	-	20.75	97.23
Plant & Machinery	15,218.14	20,311.66	20.34	35,509.47	23,048.28	1,053.10	19.32	24,082.05	11,427.41
Furniture and Fittings	183.50	353.18	9.59	527.09	160.12	30.20	-	190.32	336.77
Office Equipment	-	93.92	-	93.92	63.54	0.98	-	64.52	29.40
Computer	-	209.55	2.38	207.17	202.50	1.46	-	203.96	3.21
Vehicles	181.79	183.55	102.81	262.52	123.56	16.87	17.50	122.94	139.59
Intangible Assets									
Specialized Softwares	168.08	43.78	-	211.86	157.98	16.15	-	174.13	37.73
TOTAL	19,963.51	31,440.33	135.12	51,268.71	25,874.55	1,249.75	71.70	27,052.60	24,216.11
Capital Work in Progress									154.86
GRAND TOTAL									24,370.96

Notes :

1. Lease Deed of part of the land is yet to be executed in the name of the Company.
2. The additions in the fixed assets gross block includes consolidation of assets of subsidiary company amounting to Rs. 30,608.22 Lacs.
3. Capital work in progress includes capital advances of Rs. 50.29 Lacs.

(Amount in Rupees/Lacs)

PARTICULARS	AS AT MARCH 31, 2011
SCHEDULE 7	
CURRENT ASSETS, LOANS AND ADVANCES	
A. CURRENT ASSETS	
Inventories	
(As taken, valued & certified by the Management)	
Stores and Spares	1,446.42
Raw Materials	1,606.59
Packing Materials	59.11
Finished goods	6,655.02
Stock in process	308.74
Inventory - Trading Goods	62.97
Stock in transit - Raw Material	150.00
- Finished Goods	29.24
	10,318.09
Sundry Debtors	
(Considered good, unless otherwise specified)	
Debts outstanding for a period exceeding six months	
- Secured by Deposits	30.18
- Unsecured	322.84
- Doubtful & Unsecured	140.99
Other Debts	
- Secured by Deposits	193.54
- Unsecured	4,680.95
	5,368.50
- Less: Provision for Doubtful Debts	140.99
	5,227.51
Cash and Bank Balance	
Cash in hand	5.15
Stamps in Hand	0.01
Balances with Scheduled Banks	
- In Current Accounts	10.27
- In Unpaid Dividend Accounts	10.38
- In Fixed Deposit Accounts*	216.30
- Cheques in hand	3.52
	245.61

*Fixed Deposits of Rs.170 Lacs against Margin Money.

*Fixed Deposits of Rs.2.10 Lacs pledged with Govt. Authorities.

*Fixed Deposits of Rs.44.20 Lacs earmarked as margin for letters of Credit and guarantees issued

(Amount in Rupees/Lacs)

PARTICULARS	AS AT MARCH 31, 2011
B. LOANS AND ADVANCES	
(Unsecured, Considered good, unless otherwise specified)	
Advance recoverable in cash or in kind or for value to be received	1,565.34
Balance with Customs and Central Excise Authorities	499.45
	2,064.79

SCHEDULE 8

CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES

Acceptances	26.93
Sundry Creditors*	
- Due to Micro Small Medium Enterprises	2.69
- Due to Others	7,115.89
Unpaid Dividend **	10.38
Other Liabilities	3,101.16
Interest accrued but not due	137.28
	10,394.33

* [Refer to Note No. 5 of Schedule 13 (II)]

** The above does not include any amount due to Investor Education & Protection Fund.

B. PROVISIONS

Income Tax*	22.43
Proposed Dividend	210.60
Dividend Tax	34.98
Leave Encashment	37.88
	305.89

*[Net of Advance Tax of Rs. 1,691.40 Lacs]

SCHEDULE 9

OTHER INCOME

Scrap Sale	80.35
Export Incentives	63.04
Excess Liability Written Back (Net)	
Surrender Value of Key Man Insurance Policy	678.44
Exchange Rate Fluctuation (Net)	6.30
Claims received	0.50
Rent received	1.04
Interest - Banks *	0.69

*T.D.S. Rs. 0.13 (Previous period Rs. 0.25)

(Amount in Rupees/Lacs)

PARTICULARS	AS AT MARCH 31, 2011
Interest - Others	0.08
Credit balances written back	6.77
Provision for expenses written back	6.19
Provision for doubtful debts written back	79.57
Miscellaneous Income	82.09
	1,005.06

SCHEDULE 10

INCREASE / (DECREASE) IN STOCKS

Closing Stock

- Trading Goods
- Finished Goods
- Stock in process

62.97
6,728.26
308.74

7,099.97

Opening Stock

- Trading Goods
- Finished Goods
- Stock in process

5,643.00
202.97

5,845.97

1,254.00

SCHEDULE 11

MANUFACTURING AND OTHER EXPENSES

- Raw Material consumed
- Stores and Spares consumed
- Packing Material consumed
- Power and Fuel
- Designing and Processing Charges
- Rent
- Repairs - Plant & Machinery
 - Factory Building
 - Others
- Inc/(Dec) Excise Duty on Finished Stocks
- Salaries, Wages and Bonus
- Contribution to Provident and other Funds
- Employee's welfare

7,614.59
940.46
1,128.12
6,205.50
68.41
361.15
200.95
37.96
52.09
41.00
3,442.99
193.97
137.11

(Amount in Rupees/Lacs)

PARTICULARS	AS AT MARCH 31, 2011
Insurance	33.76
Rates and Taxes	41.03
Communication Expenses	91.89
Travelling and Conveyance	642.65
Payment to Auditors	7.50
Directors Sitting Fees	3.36
Advertisement and Sales Promotion	462.67
Rebates, Commission and Incentives	1,209.08
Provision For Doubtful Debts	1.40
Transportation & Handling Charges	1,116.51
Loss on sale of Fixed Assets	7.24
Legal & Professional	6.67
Printing & Stationery	4.25
Exchange Fluctuation Loss (net)	0.24
Investment Written off	0.01
Sundry debit Balances written-off	90.28
Miscellaneous Expenses	430.98
SELLING EXPENSES	
Advertisement & Sales Promotion	20.87
Commission	1.80
Discount	17.83
Clearing & Forwarding	450.40
	25,064.70
 SCHEDULE 12	
INTEREST AND FINANCE CHARGES (NET)	
On Fixed Loans	405.07
On Other Loans	1,115.97
Other Finance Charges	124.10
	1,645.14
Less: Interest Received	64.23
TDS Rs.12.56 lacs	
	1,580.91

[Refer to Note No. 16 of Schedule 13 (II)]

SCHEDULE - 13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNT

I. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

- (a) Basis of Accounting: The financial statements are prepared on the accrual basis under the historical cost convention in accordance with applicable mandatory accounting standards issued by Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- (b) Principles of Consolidation: The consolidated financial statements have been prepared on the following basis:
 - i) The financial statements of the company and its subsidiary company have been combined on a line –by – line basis by adding together the book values of the items of assets, liabilities, incomes and expenses after eliminating intra group balances and transactions.
 - ii) The difference of the cost to the company of its investment in subsidiary over its share in the equity of the investee company is recognized in financial statements as Goodwill or Capital Reserve, as the case may be.
 - iii) Minority Interest in the Equity is shown as a separate item in the Consolidated Financial Statements.
 - iv) The CFS are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statement.

2. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires making of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. Fixed Assets

- Fixed Assets are recorded at their original cost of acquisition less accumulated depreciation. Cost is net of recoverable taxes and inclusive of freight, duties, taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.
- Glow-sign Boards, which have no salvage value is charged to the Profit & Loss Account.

4. Intangible Assets

All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 3 years.

5. Depreciation/ Amortization

- Depreciation is provided on straight-line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.
- The Assets costing up to Rs. 5,000 are fully depreciated in the year of purchase.
- Leasehold properties are amortized over the period of respective lease.

6. Revenue/Expense Recognition

- Local sales are recognized at the point of dispatch of goods to the customers. It includes excise duty but excludes sales tax and trade discount.
- Export Sales are recognized on the basis of bill of lading date.
- Export incentives are accounted on accrual basis.
- Claims are accounted on acknowledgement from the appropriate authority.
- Purchase of material is recognized on the basis of receipt of material in the factory premises.
- Interest is recognized on time proportion basis.

7. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of the cost of assets. All other borrowing costs are recognized as expense in the year in which they are incurred.

8. CENVAT and Excise Duty

- CENVAT credit availed has been credited to the respective cost of stores & spares and capital goods.
- Excise duty has been accounted for on the basis of payments made in respect of goods cleared from the factory premises and provision made in the accounts for goods manufactured, which are lying in the bonded warehouses of the company as at the end of financial year.

9. Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of various components of inventory is determined as follows:

Raw Materials, Stores, Spares and Packing Material	Cost includes purchase price, non refundable duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on First In First Out (FIFO) basis.
Stock-in-process and Finished Goods	Cost includes material cost and also includes an appropriate portion of allocable overheads.
Traded Goods	Cost includes purchase price, duties, taxes and all other costs incurred in bringing the inventories to their present location. Cost is determined on First In First Out (FIFO) basis.

10. Translation of Foreign Currency items

- Transactions denominated in Foreign Currencies are recorded at the exchange rate prevailing at the time of the transaction.
- Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account in the period in which they arise.
- Items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.

11. Taxes on Income

- Income-tax expense comprises current tax and deferred tax charge or release.
- Current Tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

- Deferred tax resulting from timing difference between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Such assets are reviewed as at each balance sheet date to re-assess realization.

12. Employee Benefits

- Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit or loss account of the year in which related service is rendered.
- The company has defined contribution plans for the post employment benefits namely provident fund and employee state insurance scheme. The company contributions in the above plans are charged to revenue every year.
- The company has defined benefit plans namely leave encashment/ compensated absence and gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each year.
 - ♦ The company through its trust has taken a policy with Kotak Mahindra Old Mutual Life Insurance Ltd. to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of the employees at the year-end and the balance of funds with Kotak Mahindra Old Mutual Life Insurance Ltd. is provided for as liability in the books.
 - ♦ Actuarial gains/losses are immediately taken to Profit and Loss account.
 - ♦ Provisions for leave encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.
- Terminal benefits are recognized as an expense immediately.

13. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

14. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

15. Lease

Lease rentals in respect of assets taken under operating lease are charged to profit and loss account as per the terms of the lease agreement.

16. Earning Per Share

- Basic Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating Diluted Earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

17. Cash flow Statement

Cash flow statement is made as per the indirect method prescribed under Accounting Standard-3 "Cash Flow Statement" issued by Companies (Accounting Standard) Rules, 2006.

II NOTES TO THE ACCOUNT

1. Contingent Liabilities

(Amount in Rupees/lacs.)

Particulars	As at March 31,2011
a) Outstanding Letter of Credit (Net of Margins) furnished in favour of suppliers	1,264.43
b) Outstanding Guarantees furnished by Company's Banker in favour of Central Excise, Customs and Others (Net of Margins)	24.80
c) Custom/Excise Duty / Service Tax / Income Tax / Sales Tax demands and Show Cause notice issued against which company has preferred appeals.	235.78

2. The details of security as against the secured loans are as under:

In case of Orient Ceramics And Industries Limited

- a) The Company has a consortium of five bankers namely State Bank of India, Punjab National Bank, IDBI Bank, Barclays Bank and Axis Bank (hereafter called the "Consortium") for secured loans borrowings.
- b) The Corporate Loan from IDBI Bank and Axis Bank are secured by way of first pari passu charge on entire fixed assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the current assets of the company.
- c) The Corporate Loan from State Bank of India is secured by way of first pari passu charge on entire current assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the fixed assets of the company.
- d) The Working Capital Limit borrowed by the Company (whether by way of Cash Credit or Working Capital Demand Loan or Overdraft limit) from the Consortium is primarily secured by way of first pari passu charge on entire current assets of the company and collaterally by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.
- e) Vehicle loans are secured by way of hypothecation of respective vehicles.

In case of Bell Ceramics Limited

- a) Loan from IDBI Bank Ltd.(IDBI) is secured by first mortgage and charge on immovable properties, present and future and hypothecation of all movables (save and except book debts) subject to prior charges created in favour of Company's bankers for working capital requirements. This loan is further secured by a letter of comfort and Personal Guarantee given to IDBI by Mr.Shiv Kumar Jatia, one of the erstwhile promoters of the Company. IDBI has agreed to replace this personal gurantee of Mr. Shiv Kumar Jatia against a corporate guarantee to be executed by Orient Ceramics And Industries Limited (OCIL),the holding Company.
- b) Loan from Bank of India(BOI) is secured by hypothecation of all the present and future plant and machinery, stocks, book debts, receivables etc. and first pari passu mortgage and charge on the block of assets of the Company and secured by Personal Guarantee of Mr. Shiv Kumar Jatia and Mr. Ramesh Jatia, the erstwhile promoters of the Company. BOI has agreed to replace these personal guarantee of Mr. Shiv Kumar Jatia and Mr. Ramesh Jatia against a corporate guarantee to be executed by OCIL, the holding company.
- c) Hire purchase loans are secured by hypothecation of the assets acquired out of the loans.
- d) Short term loans from Banks are secured against hypothecation of movable assets, including stock of raw materials, finished goods, stock in process, store and spares, book debts, receivables, etc. and by way of a second pari passu mortgage and charge on all the immovable properties of the company.Further secured by a Personal Gurantee given to BOI and Bank of Bahrain & Kuwait by Mr. Shiv Kumar Jatia and to Punjab National Bank by Mr. Ramesh Jatia,

the erstwhile promoters of the company. All the three banks have agreed to replace these personal guarantees of Mr. Shiv Kuamr Jatia and Mr. Ramesh Jatia as above against a corporate guarantee to be executed by OCIL, the holding company.

3. In case of Orient Ceramics And Industries Limited, the financial accounting and manufacturing module of ERP Package as already implemented is still in the process of improvement. A few entries are recorded in the books manually to complete the accounting of current year.
4. In the opinion of the Board, the Current Assets, Loans & Advances are approximate to the value stated, if realised in the ordinary course of business.

5. In case of Orient Ceramics And Industries Limited

Pursuant to amendments to schedule VI to Companies Act, 1956 vide Notification No. GSR 719 (E) dated 16th November 2007, the amount due to Micro, Small & Medium Enterprises have not been disclosed for the current year, as the company is in the process of identifying vendors registered under Micro, Small & Medium Enterprises Development Act, 2006 and gathering information to make the necessary disclosure.

In case of Bell Ceramics Limited

As certified by Management, the Company has amounts due to suppliers under Micro, Small & Medium Enterprises Development Act, 2006 (MSMED) as at 31st March 2011. The disclosure pursuant to the said Act is as under :

(Amount in Rupees/lacs.)

Particulars	Current Period	Previous Period
- Interest paid to suppliers under the MSMED	-	-
- Interest due & payable towards suppliers under MSMED Act towards payment already made.	2.69	2.69

6. EMPLOYEES BENEFITS

In case of Orient Ceramics And Industries Limited

a) Defined Contribution Plans:

The company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the company is required to contribute a specified percentage of payroll costs. The company during the year recognized the following amount in the profit and loss account under company's contribution to defined contribution plan.

(Amount in Rupees/lacs.)

Particulars	For the year ended March 31,2011
Provident Fund	82.21
Employee State Insurance	31.21

b) Defined Benefit Plans:

The employee's gratuity fund scheme managed by Kotak Mahindra Old Mutual Life Insurance Ltd. is a Defined Benefit Funded Plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. The obligation of leave encashment is a defined unfunded benefit plan which is recognized in the same manner as gratuity.

I. Net employee benefit expenses

(Amount in Rupees/lacs.)

Particulars	For the year ended March 31, 2011	
	Leave Encashment (Unfunded)	Gratuity (Funded)
Current Service Cost	7	34
Interest Cost on benefit obligation	3	22
Expected return on plan assets	-	(13)
Past service cost	-	15
Actuarial(gain)/loss recognised in the year	10	(19)
Net benefit expense	20	40

II. Net Asset/(liability)

(Amount in Rupees/lacs.)

Particulars	As at March 31, 2011	
	Leave Encashment (Unfunded)	Gratuity (Funded)
Present Value of Defined Benefit Obligation	38	(322)
Fair value of Plan Assets	-	199
Net assets/(liability) recognised in B/Sheet	38	(124)

III. Changes in the Obligation

(Amount in Rupees/lacs.)

Particulars	As at March 31, 2011	
	Leave Encashment (Unfunded)	Gratuity (Funded)
Opening Defined Benefit Obligation	33	271
Interest cost	3	22
Current Service Cost	7	34
Benefits Paid	(15)	15
Actuarial (gain)/loss on obligation	10	(20)
Closing Defined Benefit Obligation	38	322

IV. Changes in the fair value of Plan assets are as follows:

(Amount in Rupees/lacs.)

Particulars	As at March 31, 2011	
	Gratuity (Funded)	
Opening fair value of Plan Assets	156	
Expected return on Plan Assets	13	
Contribution by employer	32	
Benefits Paid	-	
Actuarial gain/(loss) on Plan Assets	(1)	
Closing fair Value Plan Assets	199	

V. The major categories of Plan assets of the fair value of total plan assets are as follows in percentage:

Particulars	As at March 31, 2011
	Gratuity (Funded)
Insured with Kotak Mahindra Old mutual life Insurance Ltd.	99.9%
Bank Balance	0.1%

VI. The principal assumptions used in determining gratuity and leave liability for the company's plans are as under:

Particulars	As at March 31, 2011	
	Leave Encashment (Unfunded)	Gratuity (Funded)
Discount Rate	8.25%	8.25%
Rate of increase in compensation	6.00%	6.00%
Rate of return on Plan assets (for gratuity)	-	8.25%

In case of Bell Ceramics Limited

(a) Defined Contribution Plans:

The company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the company is required to contribute a specified percentage of payroll costs. The company during the period recognised the following amount in the profit and loss account under company's contribution to defined contribution plan.

(Amount in Rupees/lacs.)

Provident Fund	14.03
Employee State Insurance	0.76

(b) Defined Benefit Plans:

I. Changes in the Obligation

(Amount in Rupees/lacs.)

Particulars	As at March 31, 2011	
	Leave Encashment	Gratuity (Funded)
Opening Defined Benefit Obligation	99.89	180.23
Interest cost	2.06	3.71
Current Service Cost	1.97	5.20
Benefits Paid	3.60	6.27
Actuarial (gain)/loss on obligation	7.98	10.73
Closing Defined Benefit Obligation	108.30	193.61

II. Changes in the fair value of Plan assets are as follows:

(Amount in Rupees/lacs.)

Particulars	As at March 31, 2011	
	Gratuity	
Opening fair value of Plan Assets	127.24	
Expected return on Plan Assets	2.62	
Contribution by employer	21.83	
Benefits Paid	6.27	
Actuarial gain/(loss) on Plan Assets	9.17	
Closing fair Value Plan Assets	154.58	

III. Net Asset/(liability)

(Amount in Rupees/lacs.)

Particulars	As at March 31, 2011	
	Leave Encashment	Gratuity (Funded)
Present Value of Defined Benefit Obligation	108.30	193.61
Fair value of Plan Assets	-	154.58
Net assets/(liability) recognised in B/Sheet	108.30	39.03

IV. Net employee benefit expenses

(Amount in Rupees/lacs.)

Particulars	For the year ended March 31, 2011	
	Leave Encashment	Gratuity
Current Service Cost	1.97	5.20
Interest Cost on benefit obligation	2.06	3.71
Expected return on plan assets	-	(2.62)
Past service cost	-	-
Actuarial(gain)/loss recognised in the year	7.98	1.56
Net benefit expense	12.01	7.86

V. The principal assumptions used in determining gratuity and leave liability for the company's plans are as under:

Particulars	As at March 31, 2011	
	Leave Encashment	Gratuity (Funded)
Discount Rate	8.25%	8.25%
Rate of increase in compensation	7.00%	7.00%
Rate of return on Plan assets	-	8.25%

Note:

(i) Actuarial's valuation is based on escalation in future salary on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

7. In case of Bell Ceramics Limited, the Capital Reserve represents:

- Central & State Subsidy Rs 25.00 lacs
- Profit on Reissue of Forfeited Shares Rs 0.57 lacs

8. a) In case of Orient Ceramics And Industries Limited

(Amount in Rupees/lacs.)

I) Managerial Remuneration :	For the year ended March 31,2011
(i) Salary	179.00
(ii) Contribution to Provident Fund	0.09
(iii) Perquisites	3.07
(iv) Commission	-
	182.16
II) Computation of Net Profit in accordance with the provisions of section 349 read with section 198 and 309 of the Companies Act,1956.	
Profit before Tax	1,447.36
Add : Directors Sitting Fees	2.98
Directors Remuneration	182.16
Non-Executive Directors Commission	-
Provision for Doubtful Debts	-
Loss / (Profit) on Sale of Fixed Assets	7.24
Profit u/s 349	1,639.73
Maximum Permissible remuneration to Managing Director/Whole Time Director as per sections 198 & 309 of the Companies Act, 1956	163.97
Remuneration Paid	182.16
Excessive Remuneration*	18.19
<i>*During the financial year 2010-11, Managerial Remuneration was paid in excess by Rs. 18,18,841/- to Mr. Mahendra K. Daga, the Chairman and Managing Director which was duly approved by the Ministry of Corporate Affairs, Govt of India vide SRN No. A75337345/4/2010-CL-VII dated 19th November, 2010.</i>	

b) In case of Bell Ceramics Limited

- i) The aggregate Directors' Remuneration for the quarter ending as on 31.03.2011 amounting Rs.21.03 lakhs (Previous Period Rs.59.32 lakhs) includes Company's Contribution to Provident Fund and other funds of Rs.2.63 lakhs (Previous Period Rs. 6.93 lakhs). The remuneration of Rs.100.09 lakhs for the period 01.01.2010 to 31.03.2011 paid/ payable to Managing Director and Executive Director is pending approval of Central Government as on 31.03.2011 as per the provision of Section 311 read with Schedule XIII of Companies Act 1956. However, subsequent to the balance sheet date, the Ministry of Corporate Affairs (MCA) have accorded its approval for the excess remuneration paid.

(Amount in Rupees/lacs.)

ii) Computation of Net Profit in accordance with the provisions of section 349 read with section 198 and 309 of the Companies Act, 1956.	For the year ended March 31, 2011
Profit before Tax	258.25
Add : Directors Sitting Fees	0.38
Directors Remuneration	21.03
Provision for Doubtful Debts	1.40
Loss on Sale of Fixed Assets	
Less: Prov for Doubtful Debts written back	79.57
Profit u/s 349	201.49
Maximum Permissible remuneration to Managing Director/Whole Time Director as per sections 198 & 309 of the Companies Act, 1956	20.15

Note: Managerial Remuneration does not include incremental liability for gratuity and leave encashment.

9. Auditor's Remuneration (excluding Service Tax)

(Amount in Rupees/lacs.)

(i) Audit fees	6.50
(ii) Tax Audit Fees	1.00
(iii) Certification and other matters	1.23
(iv) Out of pocket expenses	0.26
	8.99

10. a) In case of Orient Ceramics and Industries Limited

As per the Accounting Standard 22 "Accounting for Taxes on Income" issued by the Companies (Accounting Standards) Rules, 2006, the Company estimates the deferred tax charge/ (release) using the applicable rate of taxation based on the impact of timing difference between financial statement and estimated taxable income for the current year. The components of deferred tax balances are as follows :

(Amount in Rupees/lacs.)

Particulars	Opening as at April 1, 2010	Charge/(Release) during the year	Closing as at March 31, 2011
(i) Depreciation / Amortisation	609.46	(92.32)	517.14
(ii) Disallowance under the Income tax Act, 1961	(64.16)	(2.17)	(66.33)
Net Balance DTL/(DTA)	545.31	(94.49)	450.81

b) In case of Bell Ceramics Limited

(Amount in Rupees/lacs.)

Particulars	Opening as at April 1, 2010	Charge / (Release) during the year	Closing as at March 31, 2011
(i) Deferred Tax Assets on account of temporary differences	120.72	(28.28)	92.44
(ii) Deferred Tax Liability on account of temporary differences	(1,470.89)	38.85	(1,432.04)
(iii) Deferred Tax Assets on account of Unabsorbed Depreciation and Carried Forward Losses	1,866.44	43.97	1,910.41
Net Balance DTL/(DTA)	516.27	54.55	570.82

11. As per Accounting Standard 18 “Related Party Disclosures” issued by the Companies (Accounting Standard) Rules, 2006 related parties and transactions with related parties are as follows:

(i) Related Parties :

A Associates

- (a) Freesia Investment and Trading Co. Ltd.
- (b) Good Team Investment & Trading Co. Pvt. Ltd.
- (c) Alfa Mercantile Ltd.
- (d) Morning Glory Leasing & Finance Ltd.
- (e) Iris Designs Pvt. Ltd.
- (f) Orient Rave Mercantile Ltd.
- (g) Mahendra K. Daga - HUF
- (h) Ramesh Jatia
- (i) Asian Hotels (North) Limited (formerly Asian Hotels Limited)
- (j) Renown Pharmaceuticals Pvt. Ltd. (formerly known as Renown Ceratek Pvt. Ltd.)
- (k) Wel Intertrade Private Limited
- (l) Ascent Hotels Private Limited

B Key Managerial Personnel

- (a) Mahendra K. Daga
- (b) Madhur Daga
- (c) K M Pai
- (d) S R Vyas

C Relatives of key Managerial Personnel

- (a) Sarla Daga w/o Mahendra K. Daga
- (b) Roma Monisha Sakraney Daga w/o Madhur Daga

(ii) **Disclosure of transactions between the Company and related parties and status of outstandings as on 31st March, 2011**

(Amount in Rupees/lacs.)

Particulars	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel
Nature of Transaction :			
(a) Loan received	100.50 (157.00)	592.10 (99.64)	271.50 (-)
(b) Loan given/repaid	331.25 (731.20)	4.10 (250.03)	- (-)
(c) Interest payment	30.80 (162.98)	50.58 (22.46)	14.70 -
(d) Hire Charges paid	55.80 (58.75)	- (-)	- (-)
(e) Rent paid	8.32 (8.32)	- (-)	0.24 (0.24)
(f) Managerial Remuneration	- (-)	203.19 (227.19)	- (-)
(g) Security Deposit Paid	0.90 (9.30)	- (-)	- (-)
(h) Security Deposit Received	5.15 (2.35)	- (-)	- (-)
(i) Professional and Consultancy Charges	3.00 (43.05)	- (-)	- (-)
(j) Salary	- (-)	- (-)	- (4.91)
(k) Purchases	- (1.43)	- (-)	- (-)
(l) Sales	- (0.87)	- (-)	- (-)
(m) Other Charges	- (-)	- (-)	- (-)
(n) Travel & Entertainment	- (0.53)	- (-)	- (-)
(o) Reimbursement of expenses	- (27.03)	- (-)	- (-)
(p) D G Hiring Charges	- (67.86)	- (-)	- (-)
(q) Advances given	- (21.06)	- (-)	- (-)
(r) Amount Outstanding			
- Other Liabilities	0.68 (15.59)	4.55 (3.99)	- (-)
- Inter Corporate Loans	- (785.61)	- (-)	- (-)
(s) Amount Receivable	204.00 (436.03)	- (-)	- (-)
(t) Other current assets	27.33 (31.58)	- (-)	- (-)

Figures in brackets represents previous year amounts

(iii) Disclosure in respect of material transactions with related parties

Particulars	(Amount in Rupees/lacs.)
a) Loan Received	
Mahendra K. Daga	261.10
Madhur Daga	179.00
Mahendra K. Daga - HUF	152.00
Sarla Daga	271.50
WEL Intertrade Pvt. Ltd.	-
b) Loan Given	
Iris Designs Pvt. Ltd.	301.50
WEL Intertrade Pvt. Ltd.	-
c) Interest Payments	
Good Team Investment & Trading Co. Pvt. Ltd.	17.88
Iris Designs Pvt. Ltd.	12.31
Mahendra K. Daga	28.12
Madhur Daga	14.15
Sarla Daga	14.70
Wel Intertrade Pvt. Ltd.	-
d) Hire Charges Paid	
Freesia Investment and Trading Co. Ltd.	55.80
Renown Pharmaceuticals Pvt. Ltd.	-
e) Rent Paid	
Freesia Investment and Trading Co. Ltd.	6.66
f) Security Deposit Paid	
Freesia Investment and Trading Co. Ltd.	0.90
g) Security Deposit Received	
Freesia Investment and Trading Co. Ltd.	5.15
h) Professional and Consultancy Charges	
Morning Glory Leasing & Finance Ltd.	3.00
Ramesh Jatia - Professional Fees	-
Ramesh Jatia - Reimbursement of expenses	-
i) Salary Paid	
Roma Monisha Sakraney Daga	-
j) Purchases	
Bell Ceramics Ltd.	-
k) Sales	
Ascent Hotels Private Ltd.	-
Asian Hotels (North) Ltd.	-
l) Travel/Entertainment	
Asian Hotels (North) Ltd.	-
m) Directors' Remuneration	
K M Pai	12.08
S R Vyas	8.95
n) Amount Receivable	
Ascent Hotels Private Ltd.	-
o) Advances	
Renown Pharmaceuticals Pvt. Ltd.	-

12. Earnings Per Share (EPS) - The numerators and denominators used to calculate basic and diluted EPS:

Particulars		As at March 31, 2011
Profit attributable to the Equity Shareholders (A)	Rupees/Lacs	1,261
Basic / Weighted Average number of Equity Shares (B)	Nos.	1,05,30,000
Basic / Diluted Earnings per Share (A / B)	Rupees/Lacs	11.98

13. a) In case of Orient Ceramics And Industries Limited

The Company has taken some assets on Non cancellable operating lease. Vehicle lease rent amounting 55.80 lacs and Showroom lease rent amounting 63 Lacs has been debited to Profit and Loss Account. The future minimum lease payment is as under

(Amount in Rupees/lacs.)

Particulars	As at March 31, 2011
Not later than one year	101.75
Later than one year and not later than five years	64.39
Later than five years	-

b) In case of Bell Ceramics Limited

(Amount in Rupees/lacs.)

Particulars	As at March 31, 2011
1) Hire Purchase Assets :	
(i) Not later than one year	4.30
(ii) Later than one year and not later than five years	2.48
(iii) Later than five years	-
2) Assets on Build-Operate-Transfer basis	
(i) Payable not later than one year	67.86
(ii) Later than one year and not later than five years	-

As per the general conditions, there is no escalation clause and no purchase option involved in the agreements.

- 14.** (i) The company is engaged in manufacture of Ceramic and Vitrified tiles. The entire operations are governed by same set of risk and returns. Hence, the same has been considered representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard-17 on Segment Reporting.
- (ii) The company sells its products mostly within India with insignificant export income and does not have any operations in economic environments with different risk and returns hence, its considered operating in single geographical segment.

15. a) In case of Orient Ceramics and Industries Limited

Derivative Contracts entered into by the company and outstanding as on 31st March, 2011:

- (i) Nominal amount of derivatives including forward contracts entered into by the company and outstanding as on 31st March, 2011, amounts to Rs. 137.75 lacs.
- (ii) All Derivative contracts entered into by the company are for hedging purposes only.
- (iii) During the year the company has provided Rs. 81.86 lacs towards premium on forward exchange contracts.
- (iv) The amount of Unhedged Exposure as on 31st March, 2011, is Rs. 91.04 lacs.

b) In case of Bell Ceramics Limited

The amount of foreign currency exposures that are not hedged by a derivative instruments or otherwise as on 31st March, 2011, are as under:

Particulars	(Amount in Rupees/lacs.)
Payables(Euro)	0.69
Note : Closing rate of conversion (one EURO equivalent to INR)	63.65

16. The interest received includes the following amounts:

Particulars	(Amount in Rupees/lacs.)
- On Fixed Deposits	36.38
- On Security Deposit with Electricity Board	9.52
- On loans/ Advances from Subsidiary Company	17.81
- From Employees against loan given to them	0.52
	64.23

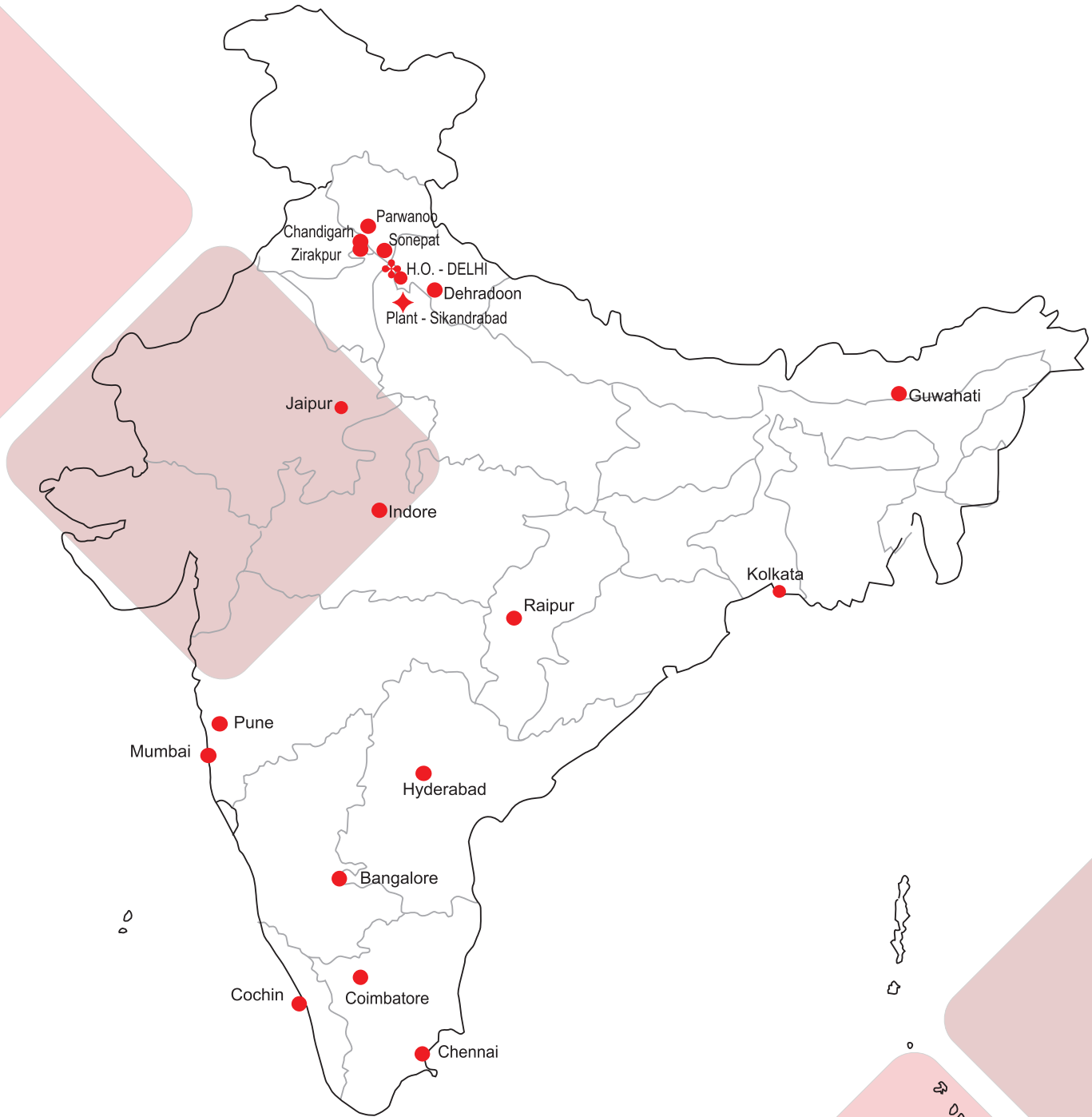
- 17. As certified by Management, the Assets of the Company have not been impaired during the year ending 31st March, 2011.
- 18. Balances of certain Sundry Creditors and Debtors are subject to confirmation.
- 19. The previous year's figures have been regrouped, rearranged and reclassified, wherever necessary.

For and on behalf of the Board

MAHENDRA K. DAGA	Chairman & Managing Director
MADHUR DAGA	Executive Director
R. N. BANSAL	Director
N. R. SRINIVASAN	Director
VIJAY SHANKAR SHARMA	Chief Executive Officer
YOGESH MENDIRATTA	Company Secretary

Place: New Delhi
Date: 26th May, 2011

“Orient’s Pan India Presence”



- STOCK POINTS
- ✿ HEAD OFFICE
- ◆ PLANT

To,

ORIENT CERAMICS AND INDUSTRIES LIMITED

Corp. Off. : Iris House, 16, Business Centre,
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Email : investor@orienttiles.com

Website : www.OrientTiles.com

E-COMMUNICATION REGISTRATION FORM

(In terms of circular dated 21.04.2011 issued by the Ministry of Corporate Affairs)

Folio No./DP ID & Client ID.....

Name of 1st Registered holder:

Name(s) of Joint holder(s):

.....

E-mail ID (to be registered):

Please register my above e-mail ID in your records for receiving communication(s), including Annual Reports in electronic form.

Date:

Signature:

(First holder)

Note: Shareholder(s) are requested to keep the Company informed of change, if any, in the e-mail address.



ORIENT
CERAMICS
we cover up beautifully

ORIENT CERAMICS AND INDUSTRIES LTD.

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