

**BOARD OF DIRECTORS**

Mr. Rajesh Punia  
***Managing Director***

Mrs. Savita Punia  
***Whole Time Director***

Mr. Sunil Kumar

Mr. Vivek Seth

Mr. Rakesh Takyar

Prof. Arvind Basu

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Hari Singh Bisht

**STATUTORY AUDITORS**

Mehra Wadhwa & Co.  
Chartered Accountants, New Delhi

**INTERNAL AUDITORS**

Sharma Dahiya & Co.  
Chartered Accountants, New Delhi

**REGISTRAR & SHARE TRANSFER AGENT**

M/S Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99 Madangir,  
Behind Local Shopping Centre, New Delhi-110062

**BANKERS OF THE COMPANY**

The Jammu & Kashmir Bank Limited  
State Bank of India  
Industrial Development Bank of India Limited  
State Bank of Hyderabad  
ICICI Bank Limited

**WORKS OF THE COMPANY****Marble Processing Units**

**Unit-1-** D-3, Site-V, Surajpur Industrial Area,  
Greater Noida, U.P.-India

**Unit-2-** B(57)(b), SIPCOT Ind. Complex  
Gummidipoondi, Thiruvallur, Tamil Nadu

**Unit-3-** Delhi N.H.-2, P.o- Baidyabati, P.S-Singur,  
Dist- Hooghly, West Bengal

**Granite Processing Unit**

S-2/6, Industrial Estate, Asanbani,  
Rairangpur, Distt.Mayurbhanj, Orissa.

***Registered & Corporate Office***

**26/25 Bazar Marg, Old Rajinder Nagar, New Delhi-110060**

**NOTICE**

**Notice** is hereby given that the fourteenth Annual General Meeting of the Members of **ORIENTAL TRIMEX LIMITED** will be held on Tuesday, September 28, 2010 at 09.30 a.m., at Farm Time, Palla Bhaktawarpur Road, GT Karnal Road, Delhi-110036 to transact the following businesses:

**ORDINARY BUSINESS:**

1. To consider and adopt the audited Balance Sheet as at March 31, 2010, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Directors in place of Mr. Sunil Kumar, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Directors in place of Mr. Rakesh Takyar, who retires by rotation, and being eligible, offers him-self for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s. Mehra Wadhwa & Co. Chartered Accountants, New Delhi, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

**SPECIAL BUSINESS:**

5. To consider and if though fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-  
“Resolved that Prof. Arvind Basu, who was appointed as an additional director of the Company w.e.f. 1<sup>st</sup> July 2010 by the Board of Directors under the provisions of Section 260 of the Companies Act, 1956 and who shall vacate the office of additional director automatically at the starting of the Annual General Meeting and for whose co-option a notice has been received by the Company from one of the member under section 257 in writing proposing his candidature for the office of director be and is hereby elected and Co-opted as a director of the Company liable to retirement by rotation.”

**By Order of the Board  
For Oriental Trimex Limited  
Sd/-  
Rajesh Punia  
(Managing Director)**

Date: August 25, 2010  
Place: New Delhi

**NOTES**

1. A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of him/her-self and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before commencement of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their Attendance Slip along-with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
8. The Company has already notified closure of Register of Members and Transfer Books from, Saturday, September 25th, 2010 to Tuesday, September 28th, 2010 (both days inclusive).
9. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s. Beetal Financial & Computer Services Private Limited, immediately of:
  - a) The change in the Residential status on return to India for permanent settlement.
  - b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin Code Number, if not furnished earlier.
10. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form, Shareholders desirous of making nominations are required to send their request in Form 2B (which will be made available on request) to the Registrar and Transfer Agents M/S Beetal Financial & Computer Services Private Limited, New Delhi.
11. In terms of Article 157 & 158 of the Articles of Association of the Company, Mr. Rakesh Takyar & Mr. Sunil Kumar, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Brief resume of these Directors, nature of their expertise in specific functional areas and names of Companies in which they hold Directorships and memberships/ chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

#### **Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**

##### **Item No. 5:**

Prof. Arvind Basu, aged about 56 years, is a Science Graduate from University of Allahabad and MBA with Specialization in Marketing. He is also Specialized on 'Case Method Teaching and Writing' conducted by IIM Ahmedabad.

A Management Professional and an Educator of Repute, Mr. Basu has over 35 years of experience in Industry and in the Management of Higher Education. He has the distinction of developing and successfully executing new projects in business and also in education. He has been the Director General and Principal Director with reputed Business Schools, and introduced various new concepts in Management Education. Widely traveled throughout the world, he has closely worked with Shiv Nadar, the present Chairman of HCL Group, to introduce Computers for the first time in India.

He spent nearly 10 years in the Automotive Engineering Industry at the National and International level. He was the All India Marketing Manager with Cherry SGL, and Manager-Exports with TACL. Prior to joining TACL, he was the Asst. Director with 'Western UP Productivity Council', and conducted a number of Top Management, and Executive Training and Development Programs, "In and Inter" Company, including one on "Time Management" with Dr. Sharu Rangenekar, the author of "In the Wonderland of Indian Managers".

He is a recognized as a 'Management Guru' and advocates that depriving higher education to anyone should be considered as a social evil and a crime. His new conceptual work on Marketing is under review and his 4i theory is a success mantra in any strategic implementation.

Your Directors recommend the above Resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

**By Order of the Board  
For Oriental Trimex Limited  
Sd/-  
Rajesh Punia  
(Managing Director)**

Date: August 25, 2010

Place: New Delhi

**DIRECTOR'S REPORT**

To,  
The Members,

Your Directors have great pleasure in presenting the 14th Annual Report together with audited statements of accounts for the Financial Year ended 31<sup>st</sup> March 2010.

The performance of the Company for the financial year ended 31<sup>st</sup> March 2010, is summarized below:

(₹ In Lakhs)

Particulars	Year ending 31 <sup>st</sup> March 2010	Year ending 31 <sup>st</sup> March 2009
Net Income	13205.64	11111.80
EBIDTA	1328.99	953.25
Less: Interest	768.37	576.66
Less: Depreciation	128.65	60.21
Profit before Tax	431.97	316.37
Provisions for Tax	161.91	79.04
Profit After Tax	270.06	237.33
Less: Income Tax for Earlier Years	7.40	00.00
Add: Excess Provisions for Tax Written Back	00.00	19.06
Profit Available for Appropriation	262.66	256.39
Appropriations		
- General Reserves	250.00	00.00
Balance Carried Forward to Balance Sheet	12.65	256.39

**PERFORMANCE**

The Net Income of the Company for the year was ₹ 13205.65 lakhs, registering a growth of 19% over the corresponding previous year. The company focused on the manufacturing activities thus reducing the trading by approx 76%. The streamlining of manufacturing processes resulted in reduction of manufacturing expenses by around 13%. The profit before tax for the year under review increased by 37% and Net Profit increased by 14%.

The Company initiated the process of setting up the exclusive Franchisees with registered brand name "**Rare Earth**" in the state of Haryana and Punjab and the Franchisees have become operational at Amritsar, Nawanshahr, Jalandhar and Panchkula. These franchisees are marketing exclusively the natural and engineered marble with brand "**Marbre Oriental**". The Company plans to expand the franchisees model on pan India basis by setting up around 50 such outlets in next two years.

**Initial Public Offer and IPO Fund Utilization**

In order to finance the expansion program of the Company, the Company come out with an Initial Public Offer in February 2007 and raised ₹ 4469.70 lakhs. The Expansion program of the Company has been completed in toto. The utilization of the IPO proceeds as on 31<sup>st</sup> March 2010 is as follows:

₹ in Lakhs

Funds Received through IPO proceeds	4469.70
<b>Utilization</b>	
Issue Expenses	416.16
General Corporate Purposes	545.49
Purchase of Land	1235.85
Construction of Building	876.90
Purchase of Plant & Machinery	803.38
Electric Installation	87.32
Long Term Working Capital	637.93
Total	4603.03
<b>Through Internal Accruals</b>	<b>133.33</b>

Balance of unutilized funds has been temporarily invested in Bank fixed deposits/IPO Escrow Account with J & K Bank Ltd,

#### **DIVIDEND**

In view of the ongoing expansion program of the Company during the year under review, the Board of Directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March 2010.

#### **EXPANSION PROGRAMME**

The Company's expansion program, conceptualized in 2005 and initiated in 2007-08 has been successfully completed. The capacity of Greater Noida unit has been increased to 25200 MTPA. A Marble Processing Unit have been set up at Gumidipoondi near Chennai in the state of Tamilnadu with production capacity of 12600 MTPA. Another state of art Marble processing unit with processing capacity of 12600 MTPA has been successfully commissioned in Singur district of West Bengal. All the units are equipped with latest state of art resin filling and polishing imported machinery. The marketing outlet spread in an area of over 75000 Sq. ft. has been made operational at Greater Noida which caters to the cliental of National Capital Region. The requisite machines for the mining activities have been acquired as envisaged in the expansion program. The output from the units set up in the expansion program would start giving results from the financial year 2010-11.

#### **DIRECTORS**

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning. Mr. M.C. Mehta non executive independent director has resigned form the office of the director as well as membership of the various committees w.e.f. 18<sup>th</sup> January 2010 due to some personal pre-occupation. Your directors place on record their appreciation for the valuable services rendered by Mr. Mehta in the capacity of director of the company.

Prof. Arvind Basu was appointed as additional director by the board w.e.f. 1<sup>st</sup> July 2010 in the category of non executive independent director and to comply with the requirement of Clause 49 of the Listing Agreement. The company has received a notice in writing from the member signifying his candidature for the office of the director of the company. Prof. Arvind Basu is a non executive independent director and the Board recommend for his appointment.

In accordance with the provisions of Section 256 of the Companies Act, 1956 and Article 158 of the Article of Association of the Company, Mr. Sunil Kumar and Mr. Rakesh Takyar, directors of the Company, are due for retirement by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment.

Brief resume of directors proposed to be re-appointment and the nature of their expertise in specific functional areas are provided in the report on Corporate Governance annexed to the Annual Report.

#### **DIRECTORS RESPONSIBILITIES-STATEMENT**

Pursuant to section 217(2) of the Companies Act, 1956, your Directors confirm:

- i) That in the preparation of the annual accounts, the applicable accounting standards had 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 are 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 that period:
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March 2010 on a going concern basis.

#### **AUDITORS**

The Board, on the recommendation of the Audit Committee, has proposed that M/S Mehra Wadhwa & Co., Chartered Accountants, New Delhi, be re-appointed as Statutory Auditor of the Company and to hold office till the conclusion of the next Annual General Meeting of the Company. M/S Mehra Wadhwa & Co., Chartered Accountants, New Delhi, have

forwarded their certificate to the Company, stating their re-appointment, if made, will be within the limit specified in that behalf in sub-section 1(b) of Section 224 of the Companies Act, 1956. Your Directors request you to appoint the auditor for the current year.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN-EXCHANGE**

The required information under Section 217(1) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to Conservation of Energy, Technology Absorption and Foreign Exchange is annexed as Annexure 'A' and forms part of this report.

#### **PARTICULARS AS PER SECTION 217 OF THE COMPANIES, 1956**

The Industrial relation throughout the year was smooth. Your Directors are pleased to place on record their appreciation for contribution made by the employees at all levels in achieving the objectives of the Company. The information under section 217(2A) of the Companies Act 1956 is enclosed as per Annexure 'B' and forms part of this report.

#### **FIXED-DEPOSIT**

The Company has not accepted any fixed deposit from the public.

#### **CORPORATE GOVERNANCE**

The Company fully adheres to the standards set out by the Securities and Exchange Board of India's Corporate Governance practices and has implemented all its stipulations. The Certificate issued by Company Secretary in Practice dated 20<sup>th</sup> August 2010 in terms of clause 49 of the Stock Exchange(s) Listing Agreement is annexed as Annexure 'C' to and forms part of Director's Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis on matters related to business performance, as stipulated in Clause 49 of the Listing Agreement with the stock exchanges, is given in a separate statement which forms part of the Annual Report.

#### **ACKNOWLEDGMENTS**

Your Directors express their grateful appreciation for the assistance and co-operation received from the Bankers of the Company, government authorities and also thanks the shareholders for the confidence reposed by them in the Company and look forward to their valuable support for the future plans of the Company.

Directors also thank its employees, customers, stockiest, retail traders for their continued patronage of the Company's products.

Date: August 25, 2010  
Place: New Delhi

**For & On behalf of the Board  
of Oriental Trimex Limited**  
Sd/-  
**Rajesh Punia**  
**(Managing Director)**  
**(DIN No.00010289)**



**ANNEXURE TO THE DIRECTORS REPORT**
**ANNEXURE 'A'**

**Statement of particulars under the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988.**

**CONSERVATION OF ENERGY**

The Company's operations involve low energy consumption and there are no major areas where energy conservation measures could be considered. However, efforts to conserve and optimize the use of energy and improved operational methods will continue. Training programs are conducted to increase awareness of conservation of energy among the workforce.

**Disclosure of particulars with respect to energy conservation.**

A. Power and fuel consumption	2009-2010	2008-2009
1. Electricity		
a) Purchased		
Units	897464	531361
Total Amount	6449469	3313389
Rate per Unit	7.19	6.23
b) Own generation		
i) Units (through diesel generator)	246011	311223
Units per liters of diesel oil	3.85	3.93
Cost per unit(₹)	9.98	9.41
(ii) Through steam turbine/generator		
2. Coal	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Others/Internal generation	N.A.	N.A.
B. Consumption per unit of production		
-Marble processing	0.64 Units / per sqft.	0.47 Units / per sqft.

**TECHNOLOGY ABSORPTION**

The Company has not imported any technology. Effective pollution control system has already been installed in the factory. Total quality management system has already implemented. Due to consistent efforts, the Company could achieve improvement and development in the quality of the product. It has also achieved process development, cost reduction etc.

**FOREIGN EXCHANGE EARNING AND OUTGO**

The details regarding foreign exchange earnings and outgo are given in Note to Profit and Loss Account and Balance sheet.

**ANNEXURE 'B'**

**Statement pursuant to section 217(2A) of the Companies Act 1956 and Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report**

Name	Designation	Age	Qualification	Total Experience	Date of commencement of Appointment	Gross Remuneration in (₹ In lakhs)	Previous Employment held
Rajesh Punia	Managing Director	49 years	B.Sc., L.L.B.	27 Years	01-01-2009	41.22	Nil
Savita Punia	Whole Time Director	44 years	B.A.	13 Years	01-04-2009	24.00	Nil

Note: 1) Gross remuneration comprises basic salary, allowances, monetary value of Perquisites as per the rules under the Income Tax, 1961

2) The nature of employment is contractual.

**For & On behalf of the Board  
of Oriental Trimex Limited**

**Sd/-**

**Rajesh Punia  
(Managing Director)  
(DIN No.00010289)**

Date: August 25, 2010  
Place: New Delhi

**CORPORATE GOVERNANCE**

**1. Company’s Philosophy on Corporate Governance**

The Company believes in good Corporate Governance, which is an integral part of its business ethics. Through Corporate Governance the Company wanted to achieve highest level of transparency, accountability and equity in all its activities and functions. The overall target is to enhance the value of the stakeholders by providing them with all sorts of information with regard to the functioning of the Company and remain committed to the highest level of customer satisfaction and high standard of business ethics in the long run. The Company firmly believes that over a period of time all its operations and actions must serve the underlying goal of enhancing overall shareholders value.

For implementing the Corporate Governance practices, the Company has a well defined policy framework consisting of the following:-

- \* Code of conduct and Ethics for Board of Directors and Senior Management personnel;
- \* Code of conduct for prohibition of insider trading.
- \* Committee of the Board viz., Audit Committee, Remuneration Committee, Shareholders’/Investors Grievance cum Share Transfer Committee.

**2. Board of Directors**

(a) The present composition of the Board of Directors is as follows:

<b>Name of Director</b>	<b>Designation</b>	<b>Status</b>
Mr. Rajesh Punia,	Managing Director	Promoter & Executive Director
Mrs. Savita Punia	Whole Time Director	Promoter & Executive Director
Mr. Sunil Kumar	Director	Non Executive Non-Independent
Mr.. Vivek Seth	Director	Independent Non Executive
* Mr.. M. C. Mehta	Director	Independent Non Executive
Mr.. Rakesh Takyar	Director	Independent Non Executive
**Prof. Arvind Basu	Director	Independent Non Executive

- \*Resigned from the Directorship of the Company wef. 18.01.2010
- \*\*Appointed as Non Executive Independent Director of the Company wef 1<sup>st</sup> July 2010.  
The Directors bring to the Board wide range of experience and skills.

(b) Attendance of Directors at Board Meetings, Annual General Meeting and Extra Ordinary General Meeting and details of other Directorship and Membership/Chairmanship of Committee of each Director in various Companies.

<b>Name of Director</b>	<b>Attendance Particulars</b>			<b>No. of Outside Directorship held</b>		
	<b>Board Meeting</b>	<b>Attendance at</b>		<b>Director-ship</b>	<b>Committee Membership</b>	<b>Chairmanship</b>
		<b>AGM</b>	<b>EGM</b>			
Mr. Rajesh Punia	11	Yes	-	4	-	-
Mrs. Savita Punia	11	No	-	4	-	-
Mr. Sunil Kumar	11	No	-	3	-	-
Mr. Vivek Seth	11	Yes	-	-	-	-
* Mr. M. C. Mehta	7	Yes	-	-	-	-
Mr. Rakesh Takyar	11	Yes	-	-	-	-
**Prof. Arvind Basu	-	-	-	-	-	-

- \*Resigned from the Directorship of the Company wef. 18.01.2010
- \*\*Appointed as Non Executive Independent Director of the Company wef 1<sup>st</sup> July 2010.



**(c) Board Committees**

The Board has constituted four committees consisting members of the Board. Details of the Committees and other related information are provided hereunder:

Name of Director	Name of Committee		
	Audit	Remuneration	Investors' Grievances & Share Transfer
Mr. Rajesh Punia,	Yes	No	Yes
Mrs. Savita Punia	No	No	No
Mr. Sunil Kumar	No	No	No
Mr. Vivek Seth	Yes	Yes	Yes
* Mr. M. C. Mehta	Yes	Yes	Yes
Mr. Rakesh Takyar	Yes	Yes	Yes
**Prof. Arvind Basu	Yes	Yes	No

- \*Resigned from the Directorship of the Company wef. 18.01.2010
- \*\*Appointed as Non Executive Independent Director of the Company wef 1<sup>st</sup> July 2010.

**(d) Details of Board Meetings**

Eleven Board Meetings were held during the year, as against the minimum requirement of four meetings. The dates on which meetings were held are 11.04.2009, 05.06.2009, 30.06.2009, 31.07.2009, 24.08.2009, 31.10.2009, 11.01.2010, 18.01.2010, 30.01.2010, 12.02.2010, 08.03.2010.

**3. Audit Committee**

The terms of reference to the Audit Committee inter-alia, cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956. The Audit Committee consists of three independent Directors and one executive Director.

Name of Director	Designation	Nature of Directorship	Attendance
* Mr. M. C. Mehta	Chairman	Independent Non Executive	4
**Prof. Arvind Basu	Member	Independent Non Executive	--
Mr. Vivek Seth	Member	Independent Non Executive	5
Mr. Rakesh Takyar	Member	Independent Non Executive	5
Mr. Rajesh Punia,	Member	Managing Director	5

\*Resigned from the Directorship of the Company wef. 18.01.2010

\*\*Appointed as Non Executive Independent Director of the Company wef 1<sup>st</sup> July 2010

All the members of the Audit Committee are financially literate and Mr. M. C. Mehta, Chairman possesses financial/accounting expertise.

Mr. M.C. Mehta has resigned from the Board of the Company consequently he also resigned from the Chairmanship of the Audit Committee. On resignation of Mr. M.C Mehta, Mr. Rakesh Takyar Independent non executive director of the Company has been appointed as Chairman of the Audit Committee. Mr. Rakesh Takyar possesses financial/accounting expertise being a Chartered Accountant by qualification..

The main function of the audit committee is to provide the Board of Directors with additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and control systems. It acts as a link between the management, statutory auditors and the Board of Directors.

The Audit committee met five times during the year on 11.04.2009, 30.06.2009, 31.07.2009, 31.10.2009, 30.01.2010.

**4. Remuneration Committee**

The remuneration committee comprises of the following members.

Name of Director	Designation	Nature of Directorship
Mr. Vivek Seth	Chairman	Independent Non Executive
* Mr. M. C. Mehta	Member	Independent Non Executive
**Prof. Arvind Basu	Member	Independent Non Executive
Mr. Rakesh Takyar	Member	Independent Non Executive

\*Resigned from the Directorship of the Company wef. 18.01.2010

\*\*Appointed as Non Executive Independent Director of the Company wef 1<sup>st</sup> July 2010

The remuneration committee has been constituted to review remuneration payable to the Executive Directors, based on their performance and vis-à-vis with the performance of the Company on defined assessment parameters. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the industry standards.

The terms of Remuneration Committee also includes considering and recommending appointment at a place of profit under Section 314 of the Companies Act, 1956 or any rules made there-under.

During the year the meeting of the remuneration committee was held on 8th March, 2010, which was attended by all the members.

#### Remuneration to Directors

The remuneration paid to Directors for the year ended 31<sup>st</sup> March 2010 is as follows:-

#### Non-Executive/Independent Directors:

(₹ In Lakhs)

Name of Director	Designation	Relationship with other Directors if any	Sitting fees	Commission	Total
Mr. Sunil Kumar	Non Executive Non-Independent	Relative of Managing Director and Whole time Director	---	---	---
Mr. Vivek Seth	Independent Non Executive	---	1.40	---	1.40
* Mr. M.C.Mehta	Independent Non Executive	---	1.05	---	1.05
Mr. Rakesh Takyar	Independent Non Executive	---	1.40	---	1.40
**Prof. Arvind Basu	Independent Non Executive	---	---	---	---

- \*Resigned from the Directorship of the Company wef. 18.01.2010
- \*\*Appointed as Non Executive Independent Director of the Company wef 1<sup>st</sup> July 2010.

#### Managing Director and Wholetime Director

(₹ In Lakhs)

Name of Director	Designation	Relationship with other Directors, if any	Salary (Lakhs)	Commission (Lakhs)	Perquisites and other benefit	Total (Lakhs)
Mr.Rajesh Punia	Managing Director	Relative of Sunil Kumar and husband of Mrs. Savita Punia	36.00	5.22	---	41.22
Mrs Savita Punia	Wholetime Director	Relative of Sunil Kumar and wife of Mr.Rajesh Punia	24.00	---	---	24.00

#### 5. Shareholders' /Investors' Grievance & Share Transfer Committee/Compliance Officer of the Company

As part of the Corporate Governance initiatives, the Company has constituted the Shareholders/Investors Grievance & Share Transfer Committee to specifically look into the unresolved shareholders grievance with regard to transfer/transmission/demat/remat of shares, issue of duplicate, split up, consolidation, renewal of share certificate, non receipt of Annual Report, non receipt of application money and other issues concerning the shareholders/investors.

Mr. M.C. Mehta has resigned from the Board of the Company consequently he also resigned from the Chairmanship of the Shareholder'/Investor Grievance & Share Transfer Committee. On resignation of Mr. M.C Mehta, Mr. Vivek Seth Independent non executive director of the Company has been appointed as Chairman of the Shareholder'/Investor Grievance & Share Transfer Committee

The Committee comprises of the following persons:

Name of Director	Designation	Nature of Directorship
* Mr. M. C. Mehta	Chairman	Independent Non Executive
Mr. Vivek Seth	Member	Independent Non Executive
Mr. Rakesh Takyar	Member	Independent Non Executive
Mr. Rajesh Punia	Member	Managing Director

- \*Resigned from the Directorship of the Company wef. 18.01.2010

Mr. Hari Singh Bisht, the Company Secretary & Compliance Officer of the Company is nominated for this purpose under clause 47(a) of the Listing Agreement. He looks into the investors' grievances and supervises and co-ordinates with M/s Beetal Financial & Computer Services Private Limited, Registrar & Transfer Agent of the Company for redressal of investor's grievances. Every quarter the Company publishes the status of the complaint received and their respective redressal.

The shares are compulsorily traded in demat mode which effects automatically through NSDL/CDSL. The approval of the Company is required for transfer of shares which are in physical mode. As on 31<sup>st</sup> March 2010, no share transfer request was pending. All the share transfers and other requirement have been completed during the year in the stipulated time period.

During the year, the Company did not receive any complaint from the investors. The Committee expressed satisfaction with the Company's performance in dealing with the investor grievances.

**Compliance Officer:** Mr. Hari Singh Bisht, Company Secretary, is the Compliance Officer of the Company.

## **6. Board/ Committees Meetings and procedure**

### **a) Institutionalized decision making process:**

With a view to institutionalize all corporate affairs and setting up system and procedure for advance planning for matters requiring decisions by the Board, the Company has placed in a defined procedure for meetings of the Board of Directors and Committees thereof in an informed and efficient manner.

### **b) Scheduling and selection of agenda items for Board/Committee Meetings:**

- i) The meetings are convened by giving appropriate notice, preferably seven days, to the concerned Directors, auditors (statutory as well as internal), stock exchange(s) and other invitees. Detailed agenda, management report and other explanatory statements are circulated in advance amongst members to facilitate meaningful, informed and focused decisions at the meeting.
- ii) The agenda papers are prepared by the corporate secretarial department, headed by the Company Secretary and circulated amongst the Board Members and other invitees to the meeting by the Company Secretary.
- iii) Where it is not practicable to attach any document or the agenda is of sensitive nature, the same is circulated at the meeting with the approval of the Chair. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are taken up for discussion with the permission of the Chair and after a consensus is formed. Sensitive/confidential subject matters are discussed at the meeting even without written material being circulated.
- iv) The meetings are usually held at the Company's Registered Office or Corporate Office at New Delhi.
- v) The members of the Board have complete access to all information of the Company.

### **c) Briefing by the Managing Director:**

At the beginning of each meeting of the Board, the Managing Director briefs the Board members about the key developments relating to the Company in diverse areas.

### **d) Recording minutes of proceedings at the Board:**

Minutes of proceedings of each Board/committee meeting are recorded and entered in the minutes book. The minutes of each Board Meeting are submitted for confirmation at its next meeting and are signed by the Chairman/ Chairperson. The minutes of committees of the Board are also placed before the Board of Directors for its information.

### **e) Compliance:**

The Company Secretary ensures compliance of all applicable provisions of the Companies Act, 1956, SEBI Guidelines, Listing Agreements and other statutory requirements pertaining to capital market.

#### **Information, placed, before the Board of Directors, inter alia includes:**

- \* Capital budgets and any updates
- \* Annual operating plans and budgets and any updates
- \* Annual Accounts, Directors' Report etc.
- \* Quarterly Results of the Company

- \* Minutes of meetings of Board and other Committees of the Board.
- \* Presentation by the marketing team with regard to marketing plans of the Company.
- \* Fatal or serious accidents, dangerous occurrences etc.
- \* Operational highlights and substantial non-payment for goods sold by the Company.
- \* Show cause, demand, prosecution, notices and penalty notices which are materially important.
- \* Major investments, formation of subsidiaries and joint ventures, strategic alliance etc.
- \* Award of contracts.
- \* Disclosure of interest by Directors about Directorship and committee positions occupied by them in other Companies.
- \* Any significant development in human resources/industrial relations front.
- \* Compliance certificate of any regulatory, statutory nature.
- \* Short term investment of surplus funds.
- \* Information relating to major legal disputes.
- \* All other significant events/information.

## 7. General Body Meeting

### A. Annual General Meetings

Location, date and time of the Annual General Meeting held during the preceding three years are as follows:

Year	Location	Date	Time
2006-07	Indraprastha Motel, New Delhi	30 <sup>th</sup> July 2007	10 a.m.
2007-08	JKS Lawns 60/25, Mundka, Rohtak Road NH-10, New Delhi-110041	29 <sup>th</sup> September 2008	09:30 a.m.
2008-09	Gupta Farms 40/15, 27 <sup>th</sup> K.M. Stone, Netaji Subhash Bihar, Tikri Kalan, New Delhi-110041	25 <sup>th</sup> September 2009	9:30am

The following special resolutions were passed by the members during the previous three Annual General Meeting.

#### Annual General Meeting held on 30<sup>th</sup> July 2007

- No special resolution was passed

#### Annual General Meeting held on 29<sup>th</sup> September 2008

- Amendment in Part (C) of Clause III of the Memorandum of Association of the Company
- Approve the commencement of new business u/s 149 (2A) of the Companies Act, 1956

#### Annual General Meeting held on 25<sup>th</sup> September 2009

- No special resolution was passed

No special resolution was put through postal ballot in previous 3 Annual General Meeting

No resolution include in Agenda of the ensuing AGM requires approval by postal ballot

### B. Extra Ordinary General Meetings

During the year under review, the Company has not conducted any Extra Ordinary General Meeting.

## 8. Disclosure

- (a) Disclosure on materially significant related party transactions, i.e. transaction of the Company of material nature, with its promoters, Directors or management, their relatives, or group Companies etc, that they may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosures of transactions with related parties set out in Notes of Accounts-Schedule 22 forming part of the Annual Report. The Company's related party transactions are generally with its Associates. The related party transactions are entered into based on consideration of various business exigencies such as synergy in operations. Company's long term strategy for investments, optimization of market share and profitability,

legal requirements, liquidity and capital resources of associates. All related party transactions are negotiated on arms length basis and are solely intended to further the interests of the Company.

- (b) The Company has complied with all the requirements of the listing agreement with stock exchange as well as regulators and guidelines prescribed by SEBI. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance of any matter related to capital markets, during the last three years.
- (c) The whistle blower policy forms a part of the code of conduct and ethics for Board of Directors and senior management personnel. No personnel have been denied access to the audit committee.
- (d) All the mandatory requirements of clause 49 are complied with. In respect of the non-mandatory requirements the Board has set up a remuneration committee consisting of three non-executive Directors.

#### **9. CEO Certification:**

Mr. Rajesh Punia, Managing Director and Mrs. Savita Punia, Whole Time Directors of the Company have certified to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2010 and that to the best of their 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 their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which they 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 system over financial reporting

#### **10. Means of Communication**

- (a) The quarterly, half yearly and annual financial results of the Company are sent to the BSE and NSE by means of facsimile transmission and letter by courier immediately after they have been taken on record by the Board. Yearly reports of the Company are sent to the shareholders of the Company.
- (b) The Quarterly Un-audited Financial Results and Annual Financial Results are published in leading national newspapers i.e. Financial Express, Business Standard & Jansatta.
- (c) The Company has its own web site <http://www.orientaltrimex.com> where other information about the Company is available.
- (d) The Company keeps on updating its website to provide comprehensive relevant information. The Company believes that all the stakeholders should have access to adequate information about the Company and in today's electronics age website is the best media for such dissemination of information. All information, which could have a material bearing on the share prices, is released at the earliest.
- (e) The Company has not made any formal presentations to the institutional investors or to the analysts during the year.

**11. General Shareholders Information**
**(a) Annual General Meeting**

Date	:	Tuesday, 28 <sup>th</sup> September, 2010
Time	:	09.30 a.m.
Venue	:	Farm Time, Palla Bhaktawarpur Road, GT Karnal Road, Delhi-110036

**(b) Financial Calendar**

-Financial Year	:	1st April to 31st March
-Financial Report for First Quarter Result	:	2nd Week of August
-Financial Reporting for Second Quarter Result	:	2nd Week of November
-Financial Reporting for Third Quarter Result	:	2nd Week of February
-Financial Reporting for Fourth Quarter results	:	4th Week of April/May
-Financial Reporting for the year ended March 31 <sup>st</sup> 2010	:	4 <sup>th</sup> Week of May 2010
-Annual General Meeting for the year ending March 31, 2010	:	September 2010

**(c) Book Closure Period**

: Saturday, September 25<sup>th</sup> 2010 to Tuesday, September 28<sup>th</sup>, 2010 (Both days inclusive) for the purpose of AGM.

**(d) Stock Exchange**

The equity shares of the Company are listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited and annual listing fee for the year 2009-10(as applicable) has been paid by the Company to BSE and NSE.

Sr. No.	Name and address of the Stock Exchanges	Trading symbol/ Scrip Code No	Demat ISIN NO. in NSDL/CDSL for Equity Shares
1.	Bombay Stock Exchange Limited, Mumbai	ORIENTAL 532817	<b>INE998H01012</b>
2.	National Stock Exchange of India Limited, Mumbai	ORIENTALTL 14346	

**(e) Market Price Data**

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The high and low of the market price data of the Equity Shares of the Company for the Financial Year ended 31<sup>st</sup> March 2010

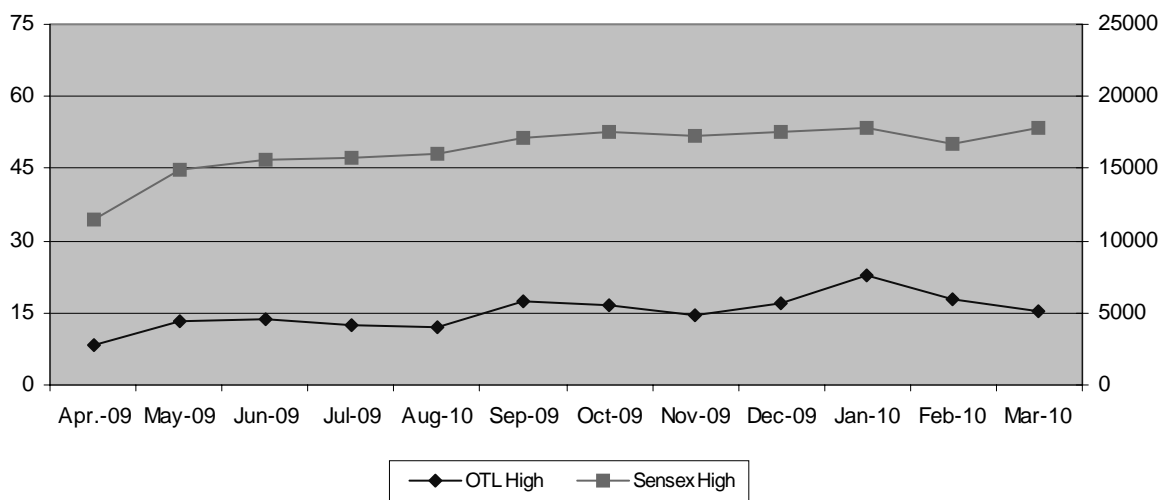
(Price in ₹ Per Share)

Months	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's (High Price)	Month's (Low Price)	Month's High Price	Month's Low Price
April'09	8.49	5.95	7.70	7.35
May'09	13.36	6.31	13.50	12.55
June'09	13.85	10.15	11.80	10.95
July'09	12.30	8.72	10.50	9.50
August'09	11.99	9.20	11.55	10.70
September'09	17.60	10.50	17.75	14.00
October'09	16.45	12.40	13.90	13.55
November'09	14.45	12.00	13.80	12.55
December'09	17.10	13.30	15.90	15.00
January'10	22.70	14.05	17.25	15.55
February'10	17.65	13.15	14.05	12.95
March'10	15.33	11.91	12.55	12.00

\*Source: BSE and NSE Website



**Stock Market data for the period 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010  
Share price performance in comparison with BSE Sensex**



**(f) Registrar & Share Transfer Agents**

M/S Beetal Financial & Computer Services Private Limited, Beetal House, 3<sup>rd</sup> Floor, 99 Madangir, Behind Local Shopping Centre, New Delhi-110062  
 Tele:011-29961281, Fax- 011-29961284  
 Email: [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com), Website: [www.beetalfinancial.com](http://www.beetalfinancial.com).

**(g) Dematerialization of Shares**

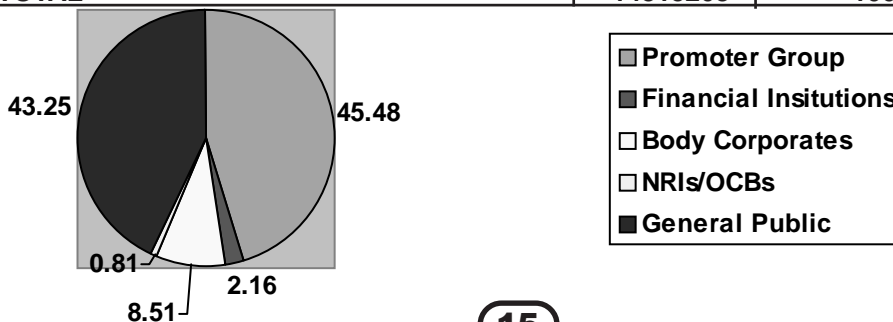
The Company has signed a tripartite agreement with NSDL, CDSL to provide for the trading of the shares in dematerialised form. Out of 14815208 Equity Shares of the Company 9311343 (62.85%) Equity Shares are in dematerialized form as on 31.03.2010.

**(h) Share Transfer system**

The Company's Shares are traded at the Stock Exchanges compulsorily in demat mode. All valid transfers lodged with the Company/Registrar and Share Transfer Agent are processed and returned to the Shareholders within the stipulated period, if the documents are complete in all respect.

**(i) Shareholding Pattern As on 31-03-2010**

Sl. No.	Shareholder	No. of Shares	%
1.	Promoter Group (Directors & their relatives, Group Companies)	6708315	45.28
2.	Financial Institutions/Banks	320000	2.16
3.	Foreign Institutional Investors	-	-
4.	Body Corporates	1260119	8.51
5.	NRIs/OCBs	119223	0.81
6.	General Public	6407551	43.25
	<b>TOTAL</b>	<b>14815208</b>	<b>100.00%</b>



**(j) Distribution of Shareholding as on 31-03-2010**

No of Equity Shares	No. of Shareholders	No. of Shares	% of Shareholdings
UP TO 5000	7895	1552928	78.70
5001 to 10000	1175	1031977	11.71
10001to 20000	544	915674	5.42
20001to 30000	130	342624	1.30
30001to 40000	62	228713	0.62
40000 to 50000	59	284744	0.59
50001 to 100000	81	621423	0.81
100001 & Above	86	9837125	0.86

**(k) Office/Plant Locations**

**Registered & Corporate Office: 26/25, Bazar Marg, Old Rajinder Nagar, New Delhi-110060**

Tele:011-43100200, 41536970, Fax- 011-25752007, 25816910,

Email:investors@orientaltrimex.com, Website: <http://www.orientaltrimex.com>

**Plant Locations**
**1. Marble Processing Units:**

- D-3, Site-V, Surajpur Industrial Area, Greater Noida, UP.
- B(57)(b), SIPCOT Ind. Complex Gumidipoondi, Thiruvallur, Tamil Nadu
- Delhi N.H.-2, P.O.- Baidyabati, P.S-Singur Dist- Hooghly, West Bengal, Pin.-712222.

**2. Granite Processing Unit:**

- S-2/6, Industrial Estate, Asanbani, Rairangpur, District Mayurbhanj, Orissa.

**(l) Address for Investors' Correspondence**

For any assistance regarding dematerialization of shares, share transfer, transmissions, change of address, non receipt of dividend or any other query relating to shares, please write to M/S Beetal Financial & Computer Services Private Limited, Beetal House, 3<sup>rd</sup> Floor, 99 Madangir, Behind Local Shopping Centre, New Delhi-110062 Tele:011-29961281 Fax- 011-29961284 Email:[beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com), website: [www.beetalfinancial.com](http://www.beetalfinancial.com).

The shareholders may address their communications/ suggestions/ grievances/ queries to:

**Mr. Hari Singh, Company Secretary and Compliance Officer**

Oriental Trimex Limited, 26/25, IInd Floor, Bazar Marg, Old Rajinder Nagar, New Delhi-110060 Ph# 011 – 25769567/68, Fax# 011-25752007/25816910, Email: [investors@orientaltrimex.com](mailto:investors@orientaltrimex.com)

**NON-MANDATORY REQUIREMENTS**
**a) Chairman of The Board**

The Company has an executive Chairman and hence, the requirement pertaining to re-imburement of expenses to non-executive Chairman does not arise.

**b) Remuneration Committee**

A remuneration committee comprising all non-executive and independent Directors is functioning in the Company.

**c) Shareholder Rights**

The financial performance of the Company is well published and also displayed on the Company's website. In view of this, individual communication of quarterly/half yearly results is not sent to the shareholders.

**d) Audit Qualifications**

The Auditors Report does not contain any qualifications to the accounts.

**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AT THE  
FORTHCOMING ANNUAL GENERAL MEETING [PERSUANT TO  
CLAUSE 49 OF THE LISTING AGREEMENT]**

**Mr. Sunil Kumar**, aged about 33 years is commerce Graduate from Delhi University and MBA from Institute of Marketing and Management. He has more than 8 years of experience in the field of EXIM Matter

**Mr. Rakesh Takyar**, aged about 51 years is commerce graduate and Fellow Member of The Institute of Chartered Accountants of India. He is a practicing Chartered Accountant. He has more than 20 years of experience in the field of Corporate Financial Consultancy and Business Advisory.

**Prof. Arvind Basu** a Management Professional and an educator of repute, has over 35 years of experience in industry and in the management of higher education. He has the distinction of developing and successfully executing new projects in business and education. He has been the Director General and Principal Director with reputed business schools, and introduced various new concepts in Management education. Widely traveled throughout the world, he has closely worked with Shiv Nadar, the Chairman of HCL Group.

He is recognized as a 'Management Guru' and advocates that depriving higher education to anyone should be considered as a social evil and a crime. His new conceptual work on Marketing is under publication and his 4i theory is a success mantra in any strategic implementation.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL  
WITH THE CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for all Board members and senior management of the Company. This code has been posted on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2010, received from the Senior Management Team of the Company and the members of the Board a declaration of compliance with the code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Operating Officer, employees in the cadre of President and General Manager cadre as on March 31, 2010.

**For & On behalf of the Board of  
Oriental Trimex Limited  
Sd/-**

**Place: New Delhi,  
Date: 25<sup>th</sup> August 2010**

**Rajesh Punia  
Managing Director  
(DIN No.00010289)**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER  
CLAUSE 49 OF THE LISTING AGREEMENT**

To,  
**The Members,**  
**Oriental Trimex Limited,**  
Registered Office: 26/25, Bazar Marg,  
Old Rajinder Nagar,  
New Delhi-110060

We have examined the compliance of the conditions of Corporate Governance by Oriental Trimex Limited, for the year ended 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance, it is neither an audit nor an expression of opinion on 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 representations made by the Directors & Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company as on 31st March, 2010 there were no investor grievances remaining unattended/ pending for more than 30 days.

We further 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 Subhash Chand Gupta**  
**Company Secretaries**  
*Sd/-*  
**Subhash Gupta**  
**CP.No. 7367**

**Place: New Delhi.**  
**Date: 20<sup>th</sup> August, 2010.**

## Management Discussion And Analysis

### Industry Structure and Developments

India's long history, dating back to 3200 BC has been influenced considerably by the disposition, development and use of stones and other construction materials. Dimension stones have also left deep imprints on the architectural heritage of the country. Innumerable temples, forts and palaces of Ancient Indian Civilization have been carved out of locally available stones. The Taj Mahal at Agra stands testimony to the age-defying beauty of Indian marble. Some of the ancient rocks cut wonders include Khajuraho Temple, Elephanta Caves, and Konark Temple. Besides, all major archeological excavations have revealed exquisitely carved statuettes and carvings in stone. Ancient Buddhist monuments like the Sanchi Stupa of 3rd century BC have also been carved out of stone.

This tradition of Stone Architecture has continued to the present era, with most of the important modern buildings in India like the Presidential House, Parliament House, and Supreme Court made from high quality sandstone of Rajasthan.

Stones are still the mainstays of civil construction in India, with stones being used extensively in public buildings, hotels, and temples. It is increasingly being used in homes, with the use of stones now penetrating amongst the burgeoning middle class of India.

The success of commercial stone industry solely depends upon defects in rock/stone. Natural defects in ornamental/commercial rock deposits adversely affect the quality of rock deposit. Detection of natural defects in decorative and dimensional stone industry play vital role in the quality assessment.

India is pioneer in the exploration, mining of commercial rock deposits and in establishing a firm base for stone industry. India, with an estimated resource of about 1,690 million cu m, comprising over 160 shades of Dimension Stone Granites (DSG), accounts for about 205 of the world resources. Of the 300 varieties being traded in the world market, nearly half of them are from India.

### Opportunities and Threats

Factor affecting the demand and supply of marbles in India: - Studies have shown an increasing trend in both demand and supply of marbles. The factors which highly influence the demand and supply of marble in the country are due to the following:

**Increased Production-** The production of marbles has increased manifolds in recent years with the introduction of mining machinery and development of new mining fields. Furthermore, in recent years few marble producing regions have been discovered. Makarana and Ambaji were only regions in Rajasthan which were producing marbles on large scale but at present marbles are being produced at more than 20 centers of the state.

**Decrease in construction activities-** It has been observed that the production of marble is increasing day by day whereas the consumption of marble is decreasing with the decline in construction activity. So, the production of marble is huge as compared to its utilization.

**Global recession faced by the industry-** The production and supply of marble was severely hit by recession wherein the demand of marble had greatly decreased with the decreased purchasing power of common consumers. According to the experts, the industry will take quite a lot of time to come back on track.

### Impact of Government Policies on the Industry

Government in India has introduced many laws in order to promote and expand marble industry globally.

**1. Removal of Excise Duty** – Government's decision to remove excise duty on marble (upto the annual sales of ₹ One Crore) is a great relief for the industry. The removal of the excise duty from marble will prove less costlier to the one at receiving end, which would ultimately increases the demand of marble in the global market. Further, the central excise duty being levied on the marble processing is @₹ 30 per sq.mtrs which is highly beneficial to the marble processors.

**2. New Marble Policy-** Under this new policy, the search for new marble regions in the state is facilitated. This also permits the prospecting work for the new findings of marble deposits. The Government of India has set a target of raising Indian stone industry to 50% in the next 5 years.

### 3. Construction and housing boom

The softening interest rate regime and the real estate and construction boom have played key roles in increasing demand for marbles & granites. Apart from the retail segment, comprising primarily of residential housing, the demand has picked up from the institutional segment as well. The increased activity in retailing business along with the economic growth has

propelled the institutional segment.

**4. Increasing affordability**

In the last few years, there has been a change in the income patterns of urban housing consumers consequently there has been sharp increase in real as well as disposable income. This has led to the increasing affordability of property.

**5. Continued tax sops to housing**

The extension of tax sops for housing loans, reduction in interest rates on housing loans, and rise in real income levels have increased the affordability of houses for the rising urban Indian middle-class population. Also, property costs have increased at 5.8% CAGR in the last five years, while the average annual income has increased by approx. 11. Therefore, the affordability (property cost/annual income) has improved.

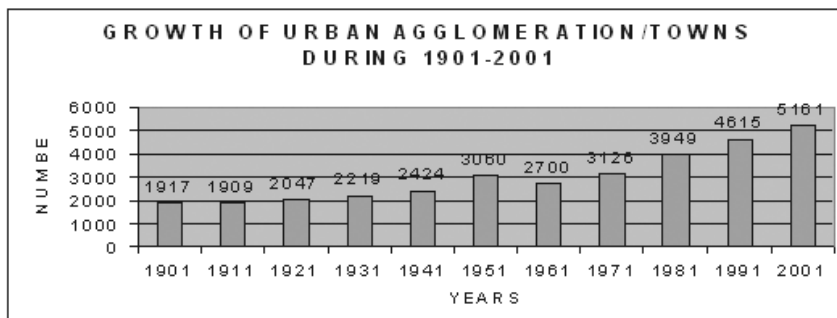
**6. Lower rates on housing finances**

The domestic interest rates have remained easy for better part of the last three years at around 8%-9%. This makes home finance more attractive. Also, there is another added advantage of easily available housing finance. This is also led to investment in housing sector by high net worth individuals and high-income group.

**7. Growth of urban agglomerations & towns**

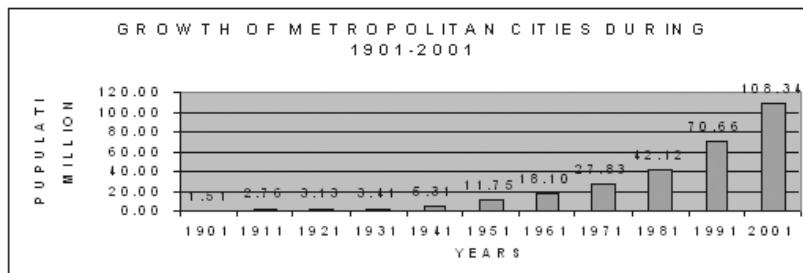
India has witnessed growth in the urban agglomerations & towns by size, class/category during last century. The total number of urban cities/town increased from 1917 from 1901 to 5161 in 2001. The following table shows the overall picture of the growth of urban agglomerations and town during last century.

(Source: Website of National Building Organization viz. [www.nbo.nic.in](http://www.nbo.nic.in) )



**8. Growth of Metropolitan Population**

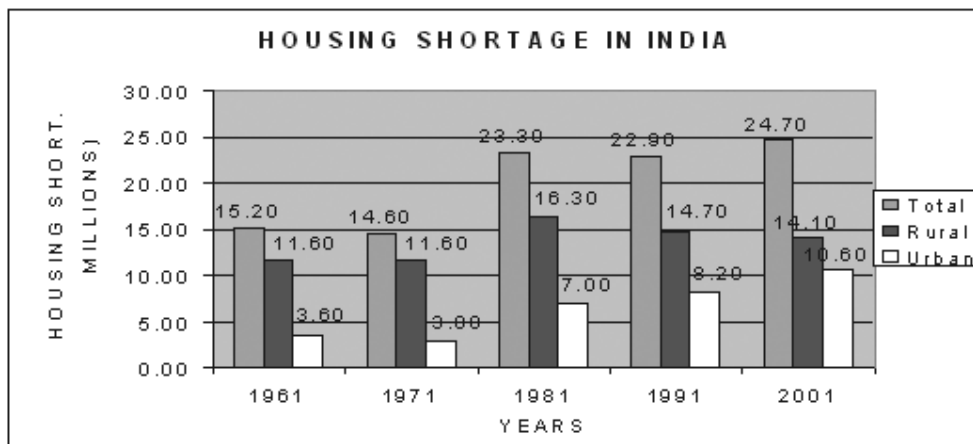
The metropolitan cities in India have grown from just one in 1901 to 35 in 2001 and 21th increase in the agglomeration/ towns during the last century, the urban population has increased from 1.51 millions in 1901 to 108.34 millions in the year 2001 which accounts for 37.87% of total population of the Country. The following chart depicts the growth of urban population during the last century:



**9. Perpetual shortage in Housing Sector**

There is perpetual shortage of housing in India. The sector is currently witnessing aggressive growth aided by the various factors like low interest rates, affordability, etc. As per National Building Organization Report, as on 2001, there is shortage of 24.68 millions houses in India out of which 14.12 millions account for rural area and 10.56 millions houses in urban areas.





**10. NRI/PIO/OCB Investment in Housing and Real Estate Sector**

The housing sector suffers from lack of funds. The available domestic funds leave a huge “resource gap” resulting in increase of housing shortage. To pass benefits of the ongoing economic reforms and liberalization process to NRIs/PIOs/ OCBs, GoI introduced a scheme in 1993 for NRI investment in housing and real estate development covering the following areas:

- Development of serviced plots and construction of built-up residential premises.
- Construction of residential and commercial premises.
- Development of townships.
- City and regional level urban infrastructure facilities.
- Investment in manufacturing of building materials.
- Investment in participating ventures in the above mentioned areas.
- Investment in financial housing institutions.

**11. Foreign Direct Investment in Housing**

Complementing the thrust being given to housing, the Government permitted 100% Foreign Direct Investment (FDI) in housing through integrated township development. FDI is now allowed in townships, housing, built-up infrastructure and construction development projects, which could include interalia housing and commercial premises. This has opened the sector to the professional expertise of international developers and facilitated introduction of new technology and inflow of capital.

FDI in townships, housing, built-up infrastructure and construction-development projects is allowed under the automatic route, subject to the conditions mentioned in Press Note. 2 of 2005 issued by the GoI. The investment has a minimum lock-in period of three years in respect of repatriation of profit in the original capital invested. Few such projects have already been approved and are under way. As the developers starts to exploit this route more intensely, some of these clauses may need amendments to suit the requirement of the sector. (Source: Press Note. 2 of 2005 and Report on Trend and Progress of Housing in India, June 2004 by National Housing Bank).

(Retrieved from “<http://www.articlesbase.com/small-business-articles/overview-of-marble-industry-in-india-1639562.html>”)

**Performance**

The Company has grown significantly during last five years as follows:

Year	Turnover ( ₹in Millions)	Increase in %
2005-06	507	99.61%
2006-07	785	54.83%
2007-08	1049	33.63%
2008-09	1116	6.39%
2009-10	1322	18.46%

As evident from the above figures, it is evident that the Company has registered Annual Growth Ratio of 40% for last five fiscal and the turnover of the Company is likely to be doubled in next two years in view of the additional capacities set up at Greater Noida and Gumidipoondi near Chennai and the upcoming marble and granite processing unit at Singur near Kolkata in West Bengal.

The Company imports its raw material from Italy, Spain, Greece, Egypt, Turkey, Indonesia, China and Sri Lanka and after processing at its Greater Noida and Gumidipoondi Units, caters to the customers on pan-India basis. The capacity of the Company's Greater Noida Unit established in 2001 has enhanced from 12600 MTPA to 25200 MTPA after successful installation of second Gangsaw Machine during June 2008 and the Marble processing unit at Gumidipoondi near Chennai, with annual capacity of 12600 MTPA commenced its commercial production in March 2009. The Company has successfully commissioned its third marble processing unit at Singur in West Bengal on 9th August 2010.

**Revenues**

The Net Income of the Company increased by 19% i.e., from ₹ 111.12 Crores in 2008-09 to ₹ 132.06 Crores in 2009-10.

**EBIDTA**

The Earning before interest, depreciation and Tax (EBIDTA) increased by 39% i.e., ₹. 9.53 Crore in the year 2008-09 to ₹ 13.29 Crores during the year under review. Reduction in operational costs and utilization of capacities of the units set up by the company has resulted in increased EBIDTA.

**Raw Material**

Due to increase in the cost of raw materials in the international markets, the cost of consumption of raw material increased by 57.80% i.e., from ₹ 79.25 crores in 2008-09 to ₹ 125.05 crores in 2009-10.

**Manufacturing Expenses**

The manufacturing Expenses decreased by around 13% i.e., from ₹ 5.49 crores in 2008-09 to ₹ 4.76 Crores in 2009-10, mainly on account of production through state of art modern imported machineries installed at the Greater Noida and Gumidipoondi Unit of the Company.

**Staff Cost**

The staff cost increased by around 73% i.e., from ₹ 2.01 Crores in 2008-09 to ₹ 3.48 Crores in 2009-10, on account of annual increase in the emoluments of the personnel of the Company and employment of additional manpower in the Company employed for handling the expansion programme of the Company at Greater Noida, Gumidipoondi and Singur.

**Finance Cost**

The finance cost increased by around 33% i.e., ₹ 5.77 Crores in 2008-09 to ₹ 7.68 Crores in 2009-10 due to introduction of additional working capital during the year under review and interest on capital expenditure in respect of imported machineries installed at the Greater Noida, Gumidipoondi and Singur units of the Company.

**Depreciation**

Due to implementation of the Greater Noida and Gumidipoondi unit during 2008-09, there had been large investment on building, plant and machinery and accordingly the depreciation for the year increased by around 114% i.e., ₹ 60.21 lakhs during 2008-09 to ₹ 128.65 lakhs in 2009-10.

**Profits after Tax**

The Profit after tax increased by approx 11% i.e., from ₹ 2.56 Crores in 2008-09 to ₹ 2.63 Crores during 2009-10. Better capacity utilization and reduction in manufacturing costs resulted in higher operating margins and increase in profits of the Company.

**Earning Per Share**

The EPS increased to 1.77 per equity share in the year under review from 1.73 per equity share for the previous fiscal 2008-09. The increased profit after tax resulted in higher EPS during the year under review.

**Reserves & Surplus**

The Reserves & Surplus increased by 6% i.e., from ₹ 42.09 Crores in 2008-09 to ₹ 44.71 Crores in 2009-10.

**Loans**

The overall loans in the Balance Sheet increased by ₹ 18.06 Crores during the year under review due to increased working capital requirements of the Company for financing the increased capacities established at Greater Noida and Gumidipoondi Units.

**Gross Block**

The Company's gross block of fixed assets (including capital work in process) increased from ₹ 30.07 Crores in 2008-09 to ₹. 35.80 crores on account of ongoing expansion projects of the Company.

**Inventories**

Company is sourcing raw material from overseas and the transit time is comparatively higher resulting in higher levels of raw material. Moreover, marble is processed and presented in various colours, designs and sizes thus require large

inventory. The pan-India presence with owned marketing outlets at Delhi, Mumbai, Kolkata and Chennai with huge inventory holdings resulted in additional inventory requirement. The inventory increased by approx. 18.17 Crores during the year under review due to additional requirement of raw material and finished goods in view of the increased capacities of the units and requirement of holding of finished goods at owned marketing outlets of the Company..

**Debtors**

The Company's Sale increased by around 19% whereas the debtors increased by 39%, during the year under review. The increase in debtors has been due to poor and sluggish market conditions in the real-estate and construction sector.

**Cash & bank Balances**

The cash & bank balances decreased by around 31% due to the optimum utilization of resources in the operations of the Company.

**Sundry Creditors**

Sundry Creditors for goods increased by 19% i.e., from ₹ 8.87 Crores in 2008-09 to ₹ 10.59 Crores in 2009-10 due to additional requirement of raw materials and consumables for the increased capacities of the Company during the year under review.

**Risk and Concerns**

The recession in the international trade during 2008 and 2009 hugely affected the construction and real-estate sector in India which affected the flooring industry in a big way. With its major markets including the US and Europe badly hit by recession, the stone industry in the large developing countries is clueless on its survival other than seeking government assistance.

Granite and stone importing countries such as the US, China, Italy have largely reduced their demands. According to experts, India's granite and natural stone exports could be down by 15-20 percent this year but it hardly affects the company's business since its entire turnover is from the domestic sale.

**Risk impact**

Recent global meltdown in reality and housing sector and Industry downturns might impede infrastructure development in user industries like real estate, SEZs, industrial, urban and marine infrastructure, aviation, adversely affecting the Company's business and earnings.

**Risk mitigation**

Over the last several decades, the Indian marble and granite industry has been greatly modernized to meet global standards. Natural and Engineered/Fabricated stones, sculptures and monuments processed in India have been used in large scale by the large infrastructure companies has immensely helped in revival of the marble and granite industry in India as the housing and construction sectors has gained considerable momentum in the year under review.

**Risk measurement**

The Company's share in the premium quality marble flooring industry increased considerably as it is the only company having processing units in National capital Region, Eastern and Southern India.

**Internal Control Systems & their adequacy**

The Company has state of art marble processing plant at Greater Noida comparable to the best in the Country, equipped with requisite machinery. A strict 100% inspection system is adopted right from selection of rough blocks to final inspection. The Company maintains best quality standards to meet the ever changing expectations of buyers country-wide, be it in terms of product quality or delivery.

The Company is concentrating on continual improvement through implementation of ISO 9001:2000 Quality Standards and also total productive maintenance activities, thereby achieving higher productivity and reduced costs.

The scope and authority of the Corporate Audit department is derived from the Audit Charter approved by the Audit Committee. The Charter is designed in a manner that the Audit Plan is focused on the following objectives:

- Review of the identification and management of Risks
- All operational and related activities are performed efficiently and effectively.
- Significant financial, managerial and operating information is relevant, accurate and reliable and is provided timely.
- Resources are acquired economically, used efficiently and safeguarded adequately.
- Employees' actions are in accordance with the Company's policies, procedures, Code of Conduct and applicable laws and regulations.
- Significant legislative and regulatory provisions impacting the organization are recognized and addressed appropriately.
- Opportunities identified during audits for improving management control, business targets and profitability, process efficiency and the organization's image are communicated to the appropriate level of management.

-- Shareholders' and other Stakeholders' wealth and welfare are preserved, protected and enhanced

**Statutory Compliance**

On obtaining confirmation from the various units/departments of the Company of having complied with all the statutory requirements, a declaration regarding compliance with the provisions of the various statutes is made by the Managing Director at each Board Meeting. The Company Secretary ensures compliance with SEBI regulations, provisions of the Listing Agreement. The Compliance Officer for prevention of insider trading ensures compliance with the Company's Guidelines on Insider Trading.

**Contingent Liabilities**

Details of contingent liabilities are given in Schedule 20 of the Notes on Balance Sheet and Profit and Loss Account.

**Material developments in Human Resources/Industrial Relations front, including number of people employed.**

The key personnel manning the marble processing unit, mining operations in Orissa, Marketing, Finance, Legal, Planning are technically and professionally qualified. Continuous in-house training programs are conducted in various disciplines, which help in achieving the organizational growth in right direction. The Company maintains cordial industrial relation with its employees and takes all possible care for their welfare.

**Shareholder value commitment and philosophy**

The Company expects to protect and enhance shareholder value through several initiatives. The comprehensive nature of the Company's financial and business disclosures reflect its increasing transparency.

**Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

**AUDITORS REPORT TO THE MEMBERS OF  
Oriental Trimex Limited**

- 1) We have audited the Balance Sheet of Oriental Trimex Limited as at 31st March, 2010 and the Profit and Loss Account for the period ended on that date annexed thereto and the Cash Flow Statement for the period ended on that date. 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.
- 2) We have 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 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227(4A) of the Companies Act, 1956, and on the basis of information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 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 the books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the said Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as director in terms 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 explanation given to us, the said accounts read with the notes forming part of accounts and documents annexed thereto, give the information required by the Companies Act, 1956 in the manner so required, 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, 2010
    - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For MEHRA WADHWA & CO.**  
**Chartered Accountants.**

*Sd/-*

**RAKESH MEHRA, F.C.A.,**  
**(Partner)**

**MEMBERSHIP. No. 83784**

**Place: New Delhi**  
**Date: May 31, 2010**

**ANNEXURE TO THE AUDITORS' REPORT  
FOR THE YEAR ENDED 31ST MARCH, 2010**

- 1) a) The Company is maintaining records showing full particulars including quantitative details and situation of its fixed assets.
- b) We are informed that physical verification of the assets was conducted by the management at reasonable intervals in a phased manner and no material discrepancies were noticed on such verification in respect of updated records.
- c) No disposal of a substantial part of fixed assets of the Company has taken place during the year.
- 2) a) We are informed that stocks of finished goods, stores, spare parts and raw material have been physically verified by the management at reasonable intervals.
- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of stocks 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 and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on physical verification of stocks as compared to book records were not material and the same have been adequately dealt with in the books of account.
- 3) a) The Company has neither taken nor granted any loans, secured or unsecured, from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) The Company has not granted any other loans or advances in the nature of loans to any party.
- 4) In our opinion, the Company has adequate internal control procedures commensurate with its size and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not come across any major weakness in internal control procedures.
- 5) a) To the best of our information and according to information and explanation given to us, the contracts and arrangements that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, have been so entered.
- b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanation given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there-under, with regard to the deposits accepted from the public.
- 7) In our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.
- 8) As informed to us, the company is not required to maintain cost records under section 209(1)(d) of the Companies Act, 1956.
- 9) a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Custom Duty, Excise Duty, cess and any other statutory dues, whichever are applicable, with the appropriate authorities.
- b) As informed to us, except for the dues stated hereunder, there are no other disputed dues of sales tax, income tax, custom duty, wealth tax, excise duty or cess lying un-deposited as at the year end:

<u>Particulars</u>	<u>Amount</u> (₹ Lacs)	<u>Forum where pending</u>
CST/VAT	56.54	Allahabad High Court
CST/VAT	9.34	Deputy Commissioner Noida
CST/VAT	1.10	Commissioner Appeals, Bangalore
CST/VAT	1.29	Deputy Commissioner Appeals, New Delhi
Custom Duty	9.36	CESTAT, Chennai



- 10) The Company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- 11) The Company has not defaulted in repayment of dues to any financial institution or bank. No debentures have been issued by the Company.
- 12) The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13) The provisions of any special statute applicable to Chit Fund/Nidhi/Mutual Benefit Fund/Societies are not applicable to the Company.
- 14) The Company is not dealing in or trading in shares, securities, debentures or other investments. Hence, paragraph 4(xiv) does not call for comments.
- 15) 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.
- 16) In our opinion and according to the information and explanation given to us, the Company has applied the term loans raised during the year for the purpose for which they were obtained.
- 17) According to the records examined by us and on the basis of information and explanation given to us, on an overall basis, funds raised on short term basis, prima facie, have not been used for long term purposes during the year and vice versa.
- 18) The Company has not issued and allotted any preferential shares during the year.
- 19) The Company does not have any debentures. Hence, the question of creation of securities for debentures does not arise.
- 20) The Company has disclosed the end use of money raised by public issue and the same has been verified.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**Place: New Delhi**  
**Date: May 31, 2010**

**For MEHRA WADHWA & CO.**  
**Chartered Accountants.**  
*Sd/-*  
**RAKESH MEHRA, F.C.A.,**  
**(Partner)**  
**MEMBERSHIP. No. 83784**

**BALANCE SHEET AS AT 31ST MARCH, 2010**

SOURCES OF FUNDS	SCHEDULE	AS AT 31.03.10 ₹	AS AT 31.03.09 ₹
<b>SHAREHOLDERS' FUNDS</b>			
Equity Share Capital	1	148,152,080	148,152,080
Reserves & Surplus	2	447,140,305	420,875,081
<b>DEFERRED TAX LIABILITY</b>		14,338,176	9,646,899
<b>LOAN FUNDS</b>			
Secured Loans	3	640,150,878	454,219,907
Unsecured Loans	4	14,320,862	19,600,069
<b>TOTAL</b>		<u>1,264,102,301</u>	<u>1,052,494,036</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	357,984,622	300,587,642
Less : Depreciation		29,650,129	17,219,551
Net Block		328,334,493	283,368,091
Capital Work in Progress (including capital advances)		64,852,709	76,209,130
		<u>393,187,202</u>	<u>359,577,221</u>
<b>CURRENT ASSETS; LOANS &amp; ADVANCES</b>			
Inventories	6	648,855,853	467,195,719
Sundry Debtors	7	197,782,561	142,495,675
Cash & Bank Balances	8	53,753,284	77,706,218
Other Current Assets	9	77,709,247	87,879,592
		<u>978,100,945</u>	<u>775,277,204</u>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	10	105,880,444	88,721,595
Provisions	11	18,928,590	8,662,842
		<u>124,809,034</u>	<u>97,384,437</u>
<b>NET CURRENT ASSETS</b>		<u>853,291,911</u>	<u>677,892,767</u>
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)	12	17,623,188	15,024,049
<b>TOTAL</b>		<u>1,264,102,301</u>	<u>1,052,494,036</u>
<b>NOTES ON ACCOUNTS</b>	20		

For and on behalf of the Board

As per our report of even date.

*Sd/-*  
Rajesh Punia  
Managing Director  
DIN00010289

*Sd/-*  
Savita Punia  
Director  
DIN00010311

*Sd/-*  
Hari Singh Bisht  
Company Secretary  
FCS5409

For MEHRA WADHWA & CO.  
Chartered Accountants  
*Sd/-*  
RAKESH MEHRA, F.C.A.  
(Partner)  
M. No. 83784

 NEW DELHI  
MAY 31, 2010

**PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2010**

	SCHEDULE	YEAR ENDED 31.03.10 ₹	YEAR ENDED 31.03.09 ₹
<b>INCOME</b>			
Sales		1,322,039,291	1,115,615,698
Jobwork Receipts		2,516,428	444,090
		<u>1,324,555,719</u>	<u>1,116,059,788</u>
Less: Excise Duty		3,991,021	4,880,074
		<u>1,320,564,698</u>	<u>1,111,179,714</u>
Other Income	13	55,784,021	16,590,079
Variation in Stocks	14	226,336,877	178,691,564
<b>TOTAL</b>		<u>1,602,685,596</u>	<u>1,306,461,357</u>
<b>EXPENDITURE</b>			
Purchase of Traded Goods		69,755,277	293,892,000
Consumption of Raw Materials	15	1,250,470,023	792,481,917
Manufacturing Expenses	16	47,588,794	54,917,395
Personnel Expenses	17	34,793,258	20,086,655
Financial Charges	18	76,837,006	57,666,228
Administrative and Selling and Distribution Expenses	19	67,179,159	49,758,645
Depreciation	5	12,865,043	6,021,353
<b>TOTAL</b>		<u>1,559,488,560</u>	<u>1,274,824,193</u>
<b>PROFIT BEFORE TAX</b>		43,197,036	31,637,164
Less: Provisions			
- Current Tax		11,500,000	5,380,000
- Fringe Benefit Tax		-	650,000
- Deferred Tax Liability (Asset)		4,691,277	1,873,708
<b>PROFIT AFTER TAX</b>		<u>27,005,759</u>	<u>23,733,456</u>
Less: Income Tax for earlier years		740,535	101,613
		<u>26,265,224</u>	<u>23,631,843</u>
Add: Excess Provision for tax written back		-	2,006,884
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<u>26,265,224</u>	<u>25,638,727</u>
<b>APPROPRIATIONS</b>			
Transferred to General Reserve		25,000,000	-
Dividend (Interim)		-	-
Dividend Proposed		-	-
Dividend Tax		-	-
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<u>1,265,224</u>	<u>25,638,727</u>
Earning Per Share (Face Value ' 10 Each)			
On Profit after Taxation			
Basic		1.77	1.73
Diluted		1.77	1.73
<b>NOTES ON ACCOUNTS</b>	20		

For and on behalf of the Board

As per our report of even date.

*Sd/-*  
Rajesh Punia  
Managing Director  
DIN00010289

*Sd/-*  
Savita Punia  
Director  
DIN00010311

*Sd/-*  
Hari Singh Bisht  
Company Secretary  
FCS5409

For MEHRA WADHWA & CO.  
Chartered Accountants  
*Sd/-*  
RAKESH MEHRA, F.C.A.  
(Partner)  
M. No. 83784

**Cash Flow Statement annexed to the  
Balance Sheet for the year ended 31st March 2010**

Particulars	2009-10 ₹	2008-09 ₹
A) Cash Flow from Operating Activities :		
Net Profit before tax and extraordinary items	43,197,036	31,637,164
Adjustments for :		
a) Depreciation	12,865,043	6,021,353
b) Loss on sale of fixed assets	-	-
c) Profit on sale of fixed assets	(1,269,087)	-
d) Write offs	-	62,339
e) Provision for Gratuity	942,010	176,853
f) Gratuity Paid	(37,359)	(16,757)
g) Provision for Doubtful Debts	3,890,797	-
h) Interest Income	(1,431,647)	(1,616,043)
i) Exchange Gain	( 9,703,465)	-
j) Exchange Loss	-	8,130,173
k) Interest Expense	76,837,006	57,666,228
	<u>82,093,298</u>	<u>70,424,146</u>
Operating Profit before Working Capital Change	125,290,334	102,061,310
Adjustments for:		
a) Trade & Other Receivables	(47,506,081)	(54,759,668)
b) Inventories	(181,660,134)	(114,201,896)
c) Trade Payables and Other Liabilities	17,158,849	(41,968,467)
	<u>(212,007,366)</u>	<u>(210,930,031)</u>
Cash generated from Operations	(86,717,032)	(108,868,721)
Net Prior year adjustments	-	-
Taxes Paid	(4,453,668)	(18,941,792)
Net Cash used in Operating Activities	<u>(91,170,700)</u>	<u>(127,810,513)</u>
B) Cash Flow from Investing Activities :		
a) Purchase of Fixed Assets/Exp on CWIP	(48,827,464)	(171,592,739)
b) Sale of Fixed Assets	3,632,159	954,500
c) Interest Received	1,431,647	1,616,043
d) Preliminary Expenses for Mines Development	(2,536,800)	1,062,736
Net Cash used in Investing Activities	<u>(46,300,458)</u>	<u>(167,959,460)</u>
C) Cash flow from Financing Activities :		
a) Interest Paid	(76,837,006)	(57,666,228)
b) Dividend Paid	-	-
c) Exchange Gain	9,703,465	-
d) Exchange Loss	-	(8,130,173)
e) Proceeds from Long Term Borrowings (Net)	(20,285,337)	75,085,926
f) Proceeds from Short Term Loans (Net)	200,937,101	111,754,349
g) Proceeds from issue of equity shares	-	-
h) Proceeds from share application money	-	-
i) Proceeds from securities premium	-	-
j) Preliminary Expenses	-	-
Net Cash generated from Investing Activities	<u>113,518,222</u>	<u>121,043,874</u>
Net increase in Cash & Cash Equivalents (A+B+C)	(23,952,935)	(174,726,099)
Opening balance of Cash and Cash equivalent	77,706,218	252,432,317
Closing balance of Cash and Cash equivalent	<u>53,753,284</u>	<u>77,706,218</u>

For and on behalf of the Board

As per our report of even date.

**For MEHRA WADHWA & CO.**  
Chartered Accountants

**Sd/-**  
**Rajesh Punia**  
Managing Director  
DIN00010289

**Sd/-**  
**Savita Punia**  
Director  
DIN00010311

**Sd/-**  
**Hari Singh Bisht**  
Company Secretary  
FCS5409

**Sd/-**  
**RAKESH MEHRA, F.C.A.**  
(Partner)  
M. No. 83784

**SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	AS AT 31.03.10 ₹	AS AT 31.03.09 ₹
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
1,60,00,000 Equity Shares of ₹ 10 each (Last year 1,60,00,000 Equity Shares of ₹ 10 each)	160,000,000	160,000,000
<b>Issued, Subscribed and Paid-up</b>		
1,48,15,208 Equity Shares of ₹ 10 each fully paid up (Last year 1,48,15,208 Equity Shares of ₹ 10 each) (Out of the above shares 17,33,333 shares are allotted as fully paid up by way of bonus shares out of capitalization of profits and general reserve)	148,152,080	148,152,080
<b>SCHEDULE - 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
As per last Balance Sheet	16,136,106	16,136,106
Add: Transfer from Profit & Loss Account	25,000,000	---
	<u>41,136,106</u>	<u>16,136,106</u>
<b>Securities Premium</b>		
As per last Balance Sheet	312,032,184	353,851,250
Add: Addition during the year	---	---
	<u>312,032,184</u>	<u>353,851,250</u>
Less: Public Issue Expenses Written Off	---	41,418,976
Less: Preliminary Expenses Written Off	---	400,090
	<u>312,032,184</u>	<u>312,032,184</u>
<b>Profit and Loss Account</b>		
(Unappropriated balance)		
As per last Balance Sheet	92,706,791	67,068,064
Add: Net Profit for the period	1,265,224	25,638,727
	<u>93,972,015</u>	<u>92,706,791</u>
	<u>447,140,305</u>	<u>420,875,081</u>
<b>SCHEDULE - 3 SECURED LOANS</b>		
<b>Term Loans</b>		
From Banks	58,524,186	73,159,507
From Others	2,406,285	2,777,094
Working Capital Loans From Banks	527,125,138	375,817,804
<b>Other Loans</b>		
From Banks		
-Short Term Loan	6,226,013	---
-Against Buyer's Credit (in Foreign Currency)	42,163,678	---
From Others		
-Demand Loan (From LIC of India)	3,705,578	2,465,502
	<u>640,150,878</u>	<u>454,219,907</u>
Term Loans secured by exclusive charge on the assets financed by Term Loans. Also secured by <i>pari passu</i> charge on both present and future movable fixed assets of the company.		
Working Capital Loans secured by hypothecation of all kinds of stocks of raw materials, stock-in-process and finished goods, assignment of book debts, title of goods covered under letter of credit against FLC and additionally secured by personal guarantee of promoter directors of the company.		
Short Term Loan secured by pledge of fixed deposits.		
Buyer's Credit secured by letter of undertaking by the bankers.		
Demand Loan secured against keyman insurance policy.		
<b>SCHEDULE - 4 UNSECURED LOANS</b>		
From Banks	3,552,254	6,374,097
From Others	10,768,608	13,225,972
	<u>14,320,862</u>	<u>19,600,069</u>

## SCHEDULE – 5 : FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 31.03.09 ₹	OF ADDITIONS ₹	OF DEDU- -CTIONS ₹	AS AT 31.03.10 ₹	AS AT 31.03.09 ₹	FOR THE YEAR ₹	WRITTEN BACK ₹	AS AT 31.03.10 ₹	AS AT 31.03.09 ₹	AS AT 31.03.10 ₹
Land	41,280,337	31,876,513	1,849,980	71,306,870	-	-	-	-	41,280,337	71,306,870
Buildings (inc roads)	106,897	-	-	106,897	3,918	1,742	-	5,660	102,979	101,237
Buildings-Factory	97,720,675	21,050,793	-	116,899,884	38,42,036	40,83,699	-	79,25,735	93,878,639	110,845,733
Plant & Machinery	144,649,656	5,914,499	209,830	150,354,325	9,178,517	7,006,827	3,321	16,182,023	135,471,139	134,172,302
Computer	1,607,595	267,021	-	1,874,616	815,982	278,927	-	1,094,909	791,613	779,707
Truck	1,069,209	-	-	1,069,209	465,077	120,928	-	586,005	604,132	483,204
Cars	12,558,681	856,034	727,095	12,687,620	2,689,797	1,231,972	431,144	3,490,625	9,868,884	9,196,995
Furniture & Fixtures	1,594,592	219,025	-	1,813,617	224,224	140,948	-	365,172	1,370,368	1,448,445
<b>Total</b>	<b>300,587,642</b>	<b>60,183,885</b>	<b>2,786,905</b>	<b>357,984,622</b>	<b>17,219,551</b>	<b>12,865,043</b>	<b>434,465</b>	<b>29,650,129</b>	<b>283,368,091</b>	<b>328,334,493</b>
Previous Year Figures	98,554,529	202,991,893	958,780	300,587,642	11,198,198	6,021,353	-	17,219,551	87,356,331	283,368,091



	AS AT 31.03.10 ₹	AS AT 31.03.09 ₹
<b>SCHEDULE - 6</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Materials	116,114,992	163,398,687
Raw Materials in Transit	6,267,888	4,110,916
Stores and Spares	1,999,980	1,550,000
Finished Goods	524,472,993	298,136,116
	<u>648,855,853</u>	<u>467,195,719</u>
<b>SCHEDULE - 7</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured; Considered good unless otherwise stated)		
Exceeding six months		
-Considered Good	91,066,618	48,749,672
-Considered Doubtful	<u>5,638,007</u>	<u>2,047,210</u>
	96,704,625	50,796,882
Other debts	101,077,936	91,698,793
	<u>197,782,561</u>	<u>142,495,675</u>
<b>SCHEDULE - 8</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in hand	3,522,925	2,145,904
Imprests	167,293	84,816
Balance in current accounts with scheduled banks	1,238,520	6,405,516
Balance in fixed deposits with banks (as margin money) (Including interest accrued)	20,773,346	17,710,394
Balance in other fixed deposits with banks (Including interest accrued)	<u>28,051,200</u>	<u>51,359,588</u>
	53,753,284	77,706,218
<b>SCHEDULE - 9</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured; Considered Good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
-Considered Good	26,119,971	33,489,836
-Considered Doubtful	<u>300,000</u>	<u>300,000</u>
	26,419,971	33,789,836
Security deposits	11,464,840	13,662,493
Taxes paid in advance	662,112	3,432,176
Balance with Customs, Excise and Service Tax Authorities	31,465,467	36,401,697
Balance with Sales Tax Authorities	<u>7,696,857</u>	<u>593,390</u>
	77,709,247	87,879,592

	AS AT 31.03.10 ₹	AS AT 31.03.09 ₹
<b>SCHEDULE - 10</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors (Goods)	20,892,451	41,993,079
Sundry Creditors (Other than goods)	34,769,438	32,086,050
Security Deposits and Advances	6,141,000	519,000
Customers at Credit	22,997,699	6,736,812
Expenses Payable	7,419,281	4,282,039
Statutory Liabilities	13,283,536	2,821,549
Interest Accrued But Not Due	377,039	283,066
	<u>105,880,444</u>	<u>88,721,595</u>
<b>SCHEDULE - 11</b>		
<b>PROVISIONS</b>		
Provision for Gratuity	1,490,583	585,632
Provision for Doubtful Debts	5,938,007	2,047,210
Provision for Income Tax	11,500,000	6,030,000
	<u>18,928,590</u>	<u>8,662,842</u>
<b>SCHEDULE - 12</b>		
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)		
Preliminary Expenses	---	462,429
Less: Written Off	---	<u>62,339</u>
	---	400,090
Less: Written Off against Securities Premium	---	<u>400,090</u>
	---	---
Share Issue Expenses	---	41,418,976
Less: Written Off against Securities Premium	---	<u>41,418,976</u>
	---	---
Mines Development Expenditure (net of recoveries)	<u>17,623,188</u>	<u>15,024,049</u>
	17,623,188	15,024,049
<b>SCHEDULE - 13</b>		
<b>OTHER INCOME</b>		
Interest Received	1,431,647	1,616,043
Exchange Gain	9,703,465	---
Sundry Balances Written Back	30,154,732	2,326,771
Profit on Sale of Assets	1,269,087	---
Insurance Claim	133,064	93,478
Miscellaneous Income	<u>13,092,026</u>	<u>12,553,787</u>
	55,784,021	16,590,079
<b>SCHEDULE - 14</b>		
<b>VARIATION IN STOCKS</b>		
<b>STOCK IN TRADE (at close)</b>		
Finished Goods/Traded Goods	524,472,993	298,136,116
Stock in Process	---	---
	<u>524,472,993</u>	<u>298,136,116</u>
<b>STOCK IN TRADE (at commencement)</b>		
Finished Goods/Traded Goods	298,136,116	115,748,322
Stock in Process	---	3,696,230
	<u>298,136,116</u>	<u>119,444,552</u>
<b>INCREASE (DECREASE) IN STOCKS</b>	<u>226,336,877</u>	<u>178,691,564</u>

	AS AT 31.03.10 ₹	AS AT 31.03.09 ₹
<b>SCHEDULE - 15</b>		
<b>CONSUMPTION</b>		
Opening Stock	167,509,603	232,549,271
Add:		
Purchases	1,074,410,913	532,441,293
Custom Duty	33,963,531	81,294,531
Freight and Clearing Charges	96,968,856	113,706,425
	<u>1,372,852,903</u>	<u>959,991,520</u>
Less: Closing Stock	122,382,880	167,509,603
	<u>1,250,470,023</u>	<u>792,481,917</u>
<b>SCHEDULE - 16</b>		
<b>MANUFACTURING EXPENSES</b>		
Stores and Spares	23,209,979	14,439,723
Fuel and Power Charges	9,147,689	6,478,746
Repairs and Maintenance-Machinery	2,168,398	2,278,448
Other Manufacturing Expenses	13,062,728	31,720,478
	<u>47,588,794</u>	<u>54,917,395</u>
<b>SCHEDULE - 17</b>		
<b>PERSONNEL</b>		
Salaries, Wages, Bonus and Allowances	30,664,489	18,059,586
Contribution to Provident and Other Funds	1,976,195	976,999
Staff and Labour Welfare	2,152,574	1,050,070
	<u>34,793,258</u>	<u>20,086,655</u>
<b>SCHEDULE - 18</b>		
<b>FINANCIAL CHARGES</b>		
Bank Charges	7,567,009	4,580,090
Interest Paid-Working Capital	63,026,543	49,359,807
Interest Paid-Term Loans	3,847,792	3,445,131
Interest Paid-Others	2,395,662	281,200
	<u>76,837,006</u>	<u>57,666,228</u>
<b>SCHEDULE - 19</b>		
<b>ADMINISTRATIVE AND SELLING AND DISTRIBUTION EXPENSES</b>		
Electricity and Water Charges	1,091,635	354,941
Rent	11,731,667	6,970,639
Rates & Taxes	551,396	---
Printing and Stationery	655,970	780,525
Communication Expenses	2,413,644	1,682,236
Vehicles Running and Maintenance	2,283,989	2,059,445
Travelling and Conveyance	6,863,572	2,961,661
Legal & Professional charges	1,822,470	1,544,639
Auditors' Remuneration	226,115	176,480
Insurance	1,886,032	2,123,970
Fees & Subscription	782,795	745,176
Repairs & Maintenance	3,384,944	1,269,308
Miscellaneous Expenses	1,225,748	1,099,085
Preliminary Expenses Written Off	---	62,339

	AS AT 31.03.10 ₹	AS AT 31.03.11 ₹
Loss of Goods	4,839,389	---
Donation	30,908	33,468
Exchange Loss	---	8,130,173
Fines and Penalties	91,000	5,348
Advertisement and Publicity	3,338,561	4,853,575
Business Promotion and Entertainment	3,852,808	392,922
Rebates and Discount	1,639,476	1,508,268
Brokerage and Commission	---	1,817,111
Sales Tax Paid	6,260	27,292
Excise Duty Paid	2,825,551	2,886,975
Service Tax Paid	75,386	398,725
Custom Duty Paid	---	161,465
Entry Tax Paid	---	322,933
Diwali Gift	76,480	424,791
Transportation & Handling Charges	7,512,903	6,869,556
Irrecoverables Written Off	4,079,663	95,599
Provision for Doubtful Debts	3,890,797	---
	<u>67,179,159</u>	<u>49,758,645</u>

**SCHEDULE - 22 : NOTES ON ACCOUNTS**

**a) Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles as adopted consistently by the Company and the provisions of the Companies Act, 1956. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

**b) Use of Estimates**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known/materialized.

**c) Fixed Assets:**

Fixed assets are stated at historical cost including directly attributable costs of bringing the assets to their working condition and are net of credit under the CENVAT/VAT scheme where applicable.

Fixed assets under construction is categorised as capital work-in-progress. Pre-operative expenditure during construction/trial run of new project net of sales during trial runs and income earned by way of interest for temporary parking of funds earmarked for construction of an asset, are separated from normal revenue heads and allocated to the appropriate assets head under construction and shown as capital work-in-progress and allocated on an appropriate basis to fixed assets on commissioning.

**d) Depreciation:**

Depreciation on Fixed Assets is provided on the straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956 on pro-rata basis.

**e) Inventories:**

Inventories are valued as under:-

Raw Materials	At lower of weighted average cost or net realizable value
Semi-finished	At lower of cost or net realizable value
Finished	At lower of production/landed cost or net realizable value.
	Appropriate overheads are loaded on absorption costing basis.
Goods in transit	At lower of cost or net realizable value
Stores and spares	At lower of cost or net realizable value

**f) Leases**

The Company has taken commercial / residential premises under cancelable operating leases. The lease agreements are usually renewable by mutual consent on mutually agreeable terms.

The expenses in respect of operating leases are accounted for in Administrative and Selling and Distribution Expenses under Schedule-19 of the Balance Sheet.

**g) Revenue Recognition:**

Sales of products are recognized when the products are shipped and are stated inclusive of excise duty but net of sales tax, trade discounts and sales returns.

Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

The Company generally follows mercantile system of accounting and all income and expenditure items having a material bearing on the financial statements are recognized on accrual basis.

**h) Foreign Currency Transactions:**

- (i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
- (ii) Gains/losses arising out of fluctuation in the exchange rates are recognized in the period in which they arise.
- (iii) Foreign currency receivables/payables are translated at the relevant rates of exchange prevailing at the year end except in the case of gain where significant uncertainties exist in relation to the actual realization.
- (iv) Premium / discount on forward exchange contracts (including options), which are not intended for trading or speculation purposes, are amortized over the period of the contract. There are no outstanding forward exchange contracts (including options) as at the Balance Sheet date.

Any profit or loss arising on cancellation or settlement of forward exchange contracts (including options) is recognized as income or expense of the year.

**i) Excise Duty**

Excise Duty is accounted for as and when paid on the clearance of the goods from the factory.

**j) Employees' Retirement and Other Benefits**

Company's contribution to provident and other funds is accounted for on accrual basis and charged to Profit and Loss Account. Provident Fund is accrued on monthly basis and is deposited with the "Statutory Provident Fund". The Company's contribution is charged to the Profit and Loss Account.

Provision for un-utilized leave benefits is made on accrual basis. Liability for leave encashment benefit is accounted for on the assumption that such benefits are payable to all employees at the end of accounting year.

Gratuity liability is provided for on the basis of Actuarial Valuation. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period in which they occur.

**k) Borrowing Costs**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets prior to commencement of commercial production are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**l) Miscellaneous Expenditure (to the extent not written off of adjusted)**

Hitherto, Preliminary Expenses were being amortized in ten equal annual installments. However, the balance has been written off against the securities premium as per section 78 of the Companies Act, 1956.

Hitherto, Share Issue Expenses incurred for financing the expansion project were to be amortized in ten equal annual installments after commissioning of the new projects. However, this year, the management has decided to write off this amount against the securities premium as per section 78 of the Companies Act, 1956.

Mines Development Expenses shall be amortized over a period of five years from the year of the commencement of commercial production.

**m) Events occurring after Balance Sheet date:**

Significant events occurring after the Balance Sheet date have been considered in the preparation of financial statements.

**n) Taxes on Income**

Provision for Current tax and Fringe Benefit tax has been determined as per provisions of the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**o) Impairment of Fixed Assets**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. An impairment loss is charged to the Profit and Loss Account in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in prior accounting periods is reversed, if there has been a change in the estimate of recoverable amount.

**p) Contingent Liabilities and Provisions**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a :

- a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation ;
- c) present, where a reliable estimate cannot be made.



**II. NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

	YEAR ENDED 31.03.10 (₹ in lacs)	YEAR ENDED 31.03.09 (₹ in lacs)
<b>1) Deferred Tax</b>		
The provision for deferred tax liability comprise of the following		
a) Deferred Tax Liability		
Related to fixed assets	54.51	22.95
Related to mines development expenditure	8.83	(3.61)
b) Deferred Tax Assets		
Disallowance under the Income Tax Act	16.43	0.60
c) Provision for deferred tax (net)	46.91	18.74
<b>2)</b> Letter of confirmations of balances appearing under the heads Sundry Debtors, Loans and Advances, Sundry Creditors, Customers at credit, have been received from most of the parties.		
<b>3)</b> Taxes paid in advance under the head " OTHER CURRENT ASSETS" consists of:-		
i) ₹ 6.29 lacs on account of interest received (previous year ₹ 21.33 lacs)		
ii) ₹ 0.32 lacs on account of jobwork receipts (previous year ₹ 0.00 lacs)		
iii) ₹ 0.00 lacs on account of commission income (previous year ₹ 0.63 lacs)		
iv) ₹ 0.01 lacs on account of other income (previous year ₹ 0.06 lacs)		
<b>4) Loans repayable within one year</b>		
Secured Loans	159.27	157.57
Unsecured Loans	106.27	75.74
<b>5) Prior Period Expenses</b>		
Salaries, Wages, Bonus and Allowances	0.06	0.11
Telephone Expenses	0.04	---
Electricity & Water Charges	0.08	
Forwarding Charges	---	1.22
<b>6)</b> The amount shown under the head "Expenses Payable" in Schedule-11 includes amount due to Directors in current accounts	82.89	90.09
<b>7)</b> No enterprises have been identified as a "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006. The aforesaid identification has been done on the basis of information, to the extent provided by the vendors to the Company. This has been relied upon by the Auditors.		
<b>8)</b> The company has incurred a loss of ₹ 48.39 Lacs on account of not getting the goods released from the customs authorities in time.		
<b>9) Contingent Liabilities</b>		
a) Letters of credit	660.42	384.85
b) Bank Guarantees	293.74	160.74
c) Guarantee issued to Customs Authorities	6.42	8.89
d) Claims against the company not acknowledged as debts (net of deposit)		
Sales Tax	68.28	58.94
Income Tax	---	1.62
Custom Duty	9.36	9.36
Excise Duty	---	664.74
e) Estimated amount of contracts remaining to be executed on capital account and not provided for.	185.01	440.70
<b>10) Managerial Remuneration</b>		
Salary and Allowances	63.58	42.00
Sitting Fee	3.85	3.60
Commission	5.22	3.58
<b>11) Computation of Net Profit under Section 349 of the Companies Act, 1956:</b>		
Profit before tax as per Profit and Loss A/c	431.97	316.37
Add:		
Provision for Doubtful Debts	38.91	---

	<b>YEAR ENDED 31-03-10 (₹ in Lacs)</b>	<b>YEAR ENDED 31-03-09 (₹ in Lacs)</b>		
Directors' Remuneration	63.58	42.00		
Depreciation	<u>128.65</u>	<u>60.21</u>		
	663.11	418.58		
Less: Profit on Sale of Assets	12.69	---		
Less: Depreciation u/s 350	<u>128.65</u>	<u>60.21</u>		
	<u>521.77</u>	<u>358.37</u>		
Commission Payable to the Managing Director	5.22	3.58		
<b>12) Auditors' Remuneration</b>				
(a) as auditor	1.38	0.66		
(b) as advisor, or in any other capacity, in respect of				
(i) taxation matters	0.55	0.45		
(ii) other matters	0.33	0.65		
<b>13) Unutilized monies as on 31st March, 2010 out of the proceeds from the issue of equity shares is invested as :</b>				
a) In current account with a bank	20.37	42.88		
b) In fixed deposit with a bank (including interest accrued)	72.62	513.60		
c) In fixed deposit with a bank (including interest accrued)(Margin)	207.89	---		
	<u>300.88</u>	<u>556.48</u>		
<b>14) a) Project Expenditure shown under the head "Capital work-in-progress" is represented by the following expenses</b>				
	<b>Balance as at 31.03.09</b>	<b>Incurred During the yr</b>	<b>Capitalized During the yr</b>	<b>Balance as at 31.03.10</b>
Expansion Project	76,209,130	46,288,608	57,645,029	64,852,709
Balance as at the year end includes capital advances of Rs. 102.39 lacs (previous year Rs.349.77 lacs).				
b) The company has completed all its expansion programme except in Kolkata, which is under implementation.				
<b>15) TRANSACTIONS WITH RELATED PARTIES</b>				
<b>A) RELATIONSHIPS</b>				
i) Shareholders (inc. controlled enterprises)				
a) Oriental Tiles Limited				
b) Oriental Buildmat Exports Private Limited				
c) Colombo Stone Industries P Ltd, Sri Lanka (Subsidiary of Oriental Buildmat Exports Private Limited)				
ii) Subsidiary Companies			None	
iii) Other Parties				
a) Oriental Air & Ship Services				
b) Oriental Impex				
c) Sunil Kumar CHA				
iv) Directors and their Relatives				
Mr. Rajesh Kumar Punia, Mrs. Savita Punia, Mr. Sunil Kumar, Mr. M C Mehta, Mr. Vivek Seth, Mr. Rakesh K Takyar, Mr. Rakesh Punia, Mr. Dinesh Punia				
<b>B) TRANSACTIONS WITH RELATED PARTIES</b>				
i) Details relating to parties referred to items A)(i)				
Nature of Transaction		Shareholders		Shareholders
Sale of Goods and Services		---		1.41
Purchase of Goods & Services		117.69		9.64
Loans Repaid		---		---
Balance at the year end-Cr (Dr)		81.81		233.62

	YEAR ENDED 31-03-10		YEAR ENDED 31-03-09	
ii) Details relating to parties referred to items A)(iii)				
Nature of Transaction	Other Parties		Other Parties	
Sales of Goods & Services	---		---	
Purchase of Goods & Services	18.20		102.79	
Purchase of Fixed Assets	---		4.50	
Rent Paid	62.00		15.00	
Balance at the year end-Cr (Dr)	12.63		90.72	
iii) Details relating to parties referred to items A)(iv)				
Nature of Transaction	Directors etc		Directors etc	
Remuneration	63.58		42.00	
Sitting Fees	3.85		3.60	
Rent	13.20		13.20	
Balance at the year end-Cr (Dr)	82.89		90.09	
<b>16) Earnings Per Share (EPS)</b>				
a) Profit after tax (Rs.)	26,265,224		25,638,727	
b) Weighted average number of ordinary shares for basic EPS	14,815,208		14,815,208	
c) Effect of potential ordinary shares	---		---	
d) Weighted average number of ordinary shares for diluted EPS	14,815,208		14,815,208	
e) Basic EPS (a/b) (Annualized)	1.77		1.73	
Diluted EPS (a/d) (Annualized)	1.77		1.73	
<b>17) Segment Information</b>				
The Company operates in single segment "flooring products segment".				
<b>18) Additional Information as required under Schedule VI of the Companies Act, 1956.</b>				
<b>a) Capacity</b>				
Capacity (as certified by a director)				
Licensed Capacity		NA	NA	
Installed Capacity	MT	45,750	45,750	
Production (including Outside Job work)	MT	39192	34,999	
<b>b) Stocks, Turnover, Production, Etc.</b>				
	<b>YEAR ENDED 31.03.10</b>		<b>YEAR ENDED 31.03.09</b>	
	Qty	(₹ in lacs)	Qty	(₹ in lacs)
	(Sq. Feet)		(Sq. Feet)	
Opening Stock				
Marble	1,782,873	2,974.62	695,794	1,157.48
Others	Varied	6.74	Varied	---
Production-Marble	6,662,575		6,999,793	
Turnover				
Marble	6,155,188	12,539.10	5,912,714	10,497.97
Others	Varied	681.29	Varied	609.38
Closing Stock				
Marble	2,290,260	4,504.31	1,782,873	2,974.628
Others	Varied	740.42	Varied	6.74
<b>c) Raw Materials Consumption</b>				
Block - MT	10,899	2,124.15	25,062	4,498.85
Marble Slabs - Sq Mtr	484,979	10,380.55	153,504	3,425.96
<b>d) Raw Materials Consumption</b>				
Indigenous				
- Value		9,473.67		2,512.24
- Percentage		75.76		31.70
Imported				
- Value in Rupees		3,031.03		5,412.57
- Percentage		24.24		68.30

e) Stores and Spares		
Indigenous		
- Value in Rupees	223.39	131.38
- Percentage	96.25	90.98
Imported		
- Value in Rupees	8.71	13.02
- Percentage	3.75	9.02
f) Value of imports on CIF basis		
- Materials	2,187.04	3,015.77
- Stores and Spares	6.98	13.02
g) Expenditure in foreign currency		
- Traveling	21.00	10.07
h) Earnings in foreign exchange		
- FOB Value of Exports	---	27.17

- 19) Figures of previous year have been regrouped and reclassified wherever necessary to make them comparable.
- 20) Due to social unrest and sporadic violence, the mines development process in Orissa disrupted during the year.
- 21) As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

#### Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	<b>2009-10</b>	2008-09
	(₹)	(₹)
Employer's Contribution to Provident Fund	317,285	220,998
Employer's Contribution to Pension Scheme	720,517	501,754

#### Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### Change in present value of obligation (reconciliation of opening and closing balances of defined benefits obligation)

	<b>31.03.10</b>	31.03.09
a. Present value of obligation as at the beginning of the period 01.04.09	585,632	425,536
b. Acquisition adjustment	---	---
c. Interest cost	43,922	29,788
d. Past service cost	---	---
e. Current service cost	416,307	191,134
f. Curtailment cost / (Credit)	---	---
g. Settlement cost / (Credit)	---	---
h. Benefits paid	(37,059)	(16,757)
i. Actuarial (gain) / loss on obligation	481,781	(44,069)
j. Present value of obligation as at the end of the period 31.03.10	1,490,583	585,632

#### Change in present value of plan assets

a. Fair value of plan assets at the beginning of the period	---	---
b. Acquisition Adjustments	---	---
c. Expected return on plan assets	---	---
d. Contributions	---	---
e. Benefits paid	---	---
f. Actuarial gain / (loss) on plan assets	---	---
g. Fair value of plan assets at the end of the period	---	---

**Fair value of plan assets**

a. Fair value of plan assets at the beginning of the period	---	---
b. Acquisition Adjustments	---	---
c. Expected return on plan assets	---	---
d. Contributions	---	---
e. Benefits paid	---	---
f. Actuarial gain / (loss) on plan assets	---	---
g. Fair value of plan assets at the end of the period	---	---
h. Funded status	(1,490,583)	(585,632)
i. Excess of actual over estimated return on plan assets	---	---

**Actuarial gain / (loss) recognized**

a. Actuarial gain / (loss) for the period obligation	(481,781)	44,069
b. Actuarial gain / (loss) for the period plan assets	---	---
c. Total gain / (loss) for the period	481,781	(44,069)
d. Actuarial gain / (loss) recognized in the period	481,781	(44,069)
e. Unrecognized actuarial (gains)/losses at the end of period	---	---

**The amounts recognized in balance sheet**

a. Present value of obligation as at the end of the period	1,490,583	585,632
b. Fair value of plan assets as at the end of the period	---	---
c. Funded status	(1,490,583)	(585,632)
d. Excess of actual over estimated	---	---
e. Unrecognized actuarial (gains) / losses	---	---
f. Net assets / (liability) recognized in balance sheet	(1,490,583)	(585,632)

**Expenses recognized in the statement of profit and loss**

a. Current service cost	416,307	191,134
b. Past Service cost	---	---
c. Interest cost	43,922	29,788
d. Expected return on plan assets	---	---
e. Curtailment cost / (Credit)	---	---
f. Settlement cost / (Credit)	---	---
g. Net actuarial (gain) / loss recognized in the period	481,781	(44,069)
h. Expenses recognized in the statement of profit & losses	942,010	176,853

**Actuarial Assumptions**

1 Mortality Table	1994-96 Duly modified	1994-96 Duly modified
2 Discount Rate	7.50%	7.00%
3 Expected Rate of return on plan assets	0.00%	0.00%
4 Future salary increase	5.00%	4.50%

**Economic Assumptions**

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Signatures to Schedules 1 to 20

For and on behalf of the Board

As per our report of even date.

**For MEHRA WADHWA & CO.**  
**Chartered Accountants**

**Sd/-**  
**Rajesh Punia**  
**Managing Director**  
**DIN00010289**

**Sd/-**  
**Savita Punia**  
**Director**  
**DIN00010311**

**Sd/-**  
**Hari Singh Bisht**  
**Company Secretary**  
**FCS5409**

**Sd/-**  
**RAKESH MEHRA, F.C.A.**  
**(Partner)**  
**M. No. 83784**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**I. Registration Details**

Registration No.	78339
State Code	55
Balance Sheet Date	31.03.10

**II. Capital raised during the year (₹ in 000's)**

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

**III. Position of Mobilization & Deployment of Funds (₹ in 000's)**

<b>Total Liabilities</b>	<b>1,264,102</b>	<b>Total Assets</b>	<b>1,264,102</b>
Sources of Funds		Application of Funds	
Paid Capital	148,152	Net Fixed Assets	393,187
Reserves & Surplus	447,140	Net Current assets	853,292
Deferred Tax Liability	14,338	Misc. Expenditure	17,623
Secured Loans	640,151		
Unsecured Loans	14,321		

**IV. Performance of Company (₹ in 000's)**

Turnover	1,376,349
Total Expenditure	1,333,152
Profit/(Loss) before tax	43,197
Profit/(Loss) after tax	26,265
Earnings per share (₹)	1.73
Dividend rate (%)	---
Interim	---
Final (Proposed)	---

**V. Generic names of three Principal Products/Services of Company (as per monetary terms)**

Item Code No. (ITC Code)	Product Description
68022110/68022190	Marble slabs/tiles
68022310/68022390	Granite slabs/tiles

For and on behalf of the Board

As per our report of even date.

**For MEHRA WADHWA & CO.**  
**Chartered Accountants**

**Sd/-**  
**Rajesh Punia**  
 Managing Director  
 DIN00010289

**Sd/-**  
**Savita Punia**  
 Director  
 DIN00010311

**Sd/-**  
**Hari Singh Bisht**  
 Company Secretary  
 FCS5409

**Sd/-**  
**RAKESH MEHRA, F.C.A.**  
 (Partner)  
 M. No. 83784

 NEW DELHI  
 MAY 31, 2010





**ORIENTAL TRIMEX LIMITED**

Regd. Office: 26/25 Bazar Marg, Old Rajinder Nagar, New Delhi-110 060

**ATTENDANCE SLIP**

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I/we hereby record my/our presence at the **14th ANNUAL GENERAL MEETING** of the above named Company held on Tuesday, the 28<sup>th</sup> September, 2010 at 09.30 A.M. at Farm Time, Palla Bhaktawarpur Road, GT Karnal Road, Delhi-110036.

NAME OF THE MEMBER(S) .....

Folio No./DP ID No. and Client ID No. .... No. of Shares .....

Name of Proxy (in block letters) .....

(To be filled in, if the Proxy attends instead of the Member)

Member's/Proxy's Signature

**Notes:** If you are attending the meeting in person or by proxy, your copy of the Balance Sheet may please be brought by you / your proxy for reference at the meeting.

----- (TEAR HERE) -----

**ORIENTAL TRIMEX LIMITED**

Regd. Office : 26/25 Bazar Marg, Old Rajinder Nagar, New Delhi-110 060

**PROXY**

DP Id ..... Folio No .....

Client Id ..... No. of Shares .....

I/We .....

of ..... being a member/members of ORIENTAL TRIMAX LIMITED hereby appoint of.....or failing him.....

of.....as my/our proxy to vote for me/us and on my/our behalf at the 14th ANNUAL GENERAL MEETING of the company to be held on Tuesday, the 28<sup>th</sup> September, 2010 at 09.30 A.M. at Farm Time, Palla Bhaktawarpur Road, GT Karnal Road, Delhi-110036.



**Notes:** Proxies in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours, before the commencement of the aforesaid meeting. The proxy need not be a member of the Company.

# Vision

*Sustain Oriental position as one of leading provider of premium quality marble and decorative stone through high class performance and creating values for the Indian economy and the company's stake-holders.*

# Mission

*Delivering superior and sustaining products to the construction industry and enhancing shareholders value.*

*This is just the beginning.....Our moto is  
“You desire, you need, we source, we procure, we process”.*

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**UNDER POSTAL CERTIFICATE (UPC)**

***IF UNDELIVERED, PLEASE RETURN TO:***  
**ORIENTAL TRIMEX LIMITED**  
**(SECRETARIAL DEPARTMENT)**  
**26/25, BAZAR MARG, OLD RAJINDER NAGAR**  
**NEW DELHI-110060**