

**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, 3rd 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 fifteenth Annual General Meeting of the Members of **ORIENTAL TRIMEX LIMITED** will be held on Wednesday, September 28, 2011 at 09:30 a.m., at Surya Garden, Palla Bhaktawarpur Road, Village Alipur, Delhi-36 to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To consider and adopt the audited Balance Sheet as at March 31, 2011, 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. Vivek Seth, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Directors in place of Prof. Arvind Basu, 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 Ravish Agarwal & Associates Chartered Accountants, C-70, Alpha-I, Greater Noida, Dist. Gautam Budh Nagar, UP- 201306 be and is hereby appointed as Statutory Auditor of the Company to fill the vacancy caused by the resignation of M/S Mehra Wadhwa & Co. Chartered Accountants, New Delhi, to hold office until the conclusion of next Annual General Meeting on a remuneration to be decided by the Board of Directors of the Company.”

### **SPECIAL BUSINESS:**

5. **To consider and if thought fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-**

**“RESOLVED THAT** pursuant to Articles 170 and 171 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended up to date and/or any statutory amendments, modifications or re-enactment thereof, the consent of the members of the Company, be and is hereby accorded to the re-appointment of Mr. Rajesh Punia, as a Managing Director of the Company, for a period of three (3) years with effect from 1st January, 2013, on the terms and conditions including remuneration, authorities, powers, duties and responsibilities as contained in the draft agreement which is hereby specifically sanctioned with liberty and authority to the Board of Directors to alter, vary, modify and revise the terms and conditions including remuneration of the said appointment and/or Agreement in such manner and from time to time, as may be agreed between the Board and Mr. Rajesh Punia, in conformity with Schedule XIII of the Companies Act, 1956 including any amendments/modifications made hereafter in this regard.”

**“RESOLVED FURTHER THAT** the terms and conditions of re-appointment, agreement, remuneration, power and duties and responsibilities specified in the Explanatory Statement, may be altered, varied and revised, from time to time, by the Board of Directors of the Company, including any Committee thereof, as it may, in its discretion deem fit, so as not to exceed the limits specified in

Section 309 and Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company, including any Committee thereof, be and is hereby authorized to do all such acts, deeds, things, to enter into such agreement, deed of amendment or any such document as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

**6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-**

**“RESOLVED THAT** pursuant to Article 170 of the Article of Association of the Company and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended up to date and/or any statutory amendments, modifications or re-enactment thereof, the consent of the members of the Company, be and is hereby accorded to the re-appointment of Mrs. Savita Punia, as a Whole-time Director of the Company for a period of three (3) years with effect from 1<sup>st</sup> April, 2012, on the terms and conditions including remuneration as set out in the draft agreement which is hereby specifically sanctioned with liberty and authority to the Board of Directors or Committee thereof to alter, vary, modify and revise the terms and conditions including remuneration of the said appointment and/or Agreement in such manner and from time to time, as may be agreed between the Board and Mrs. Savita Punia, in conformity with Schedule XIII of the Companies Act, 1956 including any amendments/modifications made hereafter in this regard.”

**“RESOLVED FURTHER THAT** the terms and conditions of re-appointment, agreement, remuneration, specified in the Explanatory Statement, may be altered, varied and revised, from time to time, by the Board of Directors of the Company, as it may, in its discretion, so as not to exceed the limits specified in Section 309 and Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company, including any Committee thereof, be and is hereby authorized to do all such acts, deeds, things, to enter into such agreement, deed of amendment or any such document as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

**Place: New Delhi**

**Date: 22<sup>th</sup> August 2011**

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

## 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 24<sup>th</sup>, 2011 to Wednesday, September 28<sup>th</sup>, 2011 (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. Vivek Seth & Prof. Arvind Basu, 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.****Re-appointment of Mr. Rajesh Punia as Managing Director of the Company for a period of three years.**

The present term of Mr. Rajesh Punia, Managing Director of the Company, shall come to an end on 31-12-2012. Looking to the contribution made by Mr. Rajesh Punia and his extensive knowledge of Company's operations and rich experience and expertise in managing the affairs of the Company, the Board on the recommendation of Remuneration Committee and subject to the approval of the members, recommend the re-appointment of Mr. Rajesh Punia as Managing Director of the Company for a further period of three years from the expiry of his present term. The details of proposed remuneration payable to Mr. Rajesh Punia, Managing Director, as given in the Draft Agreement is as under:

**I. Salary** Rs.3,00,000/= (Rupees Three Lakhs only) per month.

**II Perquisites:**

- i) Provision of Company maintained Chauffeur driven Car(s).
- ii) Charges for rental, local and official trunk calls for telephones and fax at residence and mobile phones will be reimbursed by the Company and will not be treated as perquisites. Personal long distance calls on telephones/mobiles will be recovered.

**III. Commission:** In addition to the Salary and perquisites, such commission may also be paid as may be determined by the Board of Directors of the Company, based on the net profits of the Company, provided that the total remuneration of Mr. Rajesh Punia, Managing Director, inclusive of commission in any financial year does not exceed such percentage of the net profits of the Company in accordance with the ceiling limits laid down in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

**IV. Other Terms**

- i) Reimbursement of actual out of pocket expenses incurred in connection with the business of the Company.
- ii) Reimbursement of entertainment expenses incurred for the business of the Company.
- iii) Reimbursement of traveling expenses in India and abroad for business promotion as and when required will be governed by the Company's policy.
- iv) He shall work under the superintendence and control of the Board of Directors. As long as he functions as Managing Director, he shall not be paid any sitting fee to attend the meeting of the Board and/or committee thereof.
- v) The appointment may be terminated by either party giving the other party three months' notice in writing on the expiry of which, the appointment will come to an end.

**Item No.6****Reappointment of Mrs. Savita Punia, as Wholetime Director of the Company for a period of three years**

The present term of Mrs. Savita Punia, Whole Time Director of the Company, shall come to an end on 31-03-2012. Looking to the contribution made by Mrs. Savita Punia and her extensive knowledge of Company's administration and vast experience and expertise in managing administrative work of the Company, the Board on the recommendation of Remuneration Committee and subject to the approval of the members, recommend the re-appointment of Mrs. Savita Punia as Whole Time Director of the Company for a further period of three years from the expiry of her present term. The details of proposed

remuneration payable to Mrs. Savita Punia, Whole Time Director as given in the Draft Agreement is as under:

**II. Salary** Rs.2,00,000/= (Rupees two Lakhs only) per month.

**II Perquisites:**

- i) Provision of Company maintained Chauffeur driven Car(s).
- ii) Charges for rental, local and official trunk calls for telephones and fax at residence and mobile phones will be reimbursed by the Company and will not be treated as perquisites. Personal long distance calls on telephones/mobiles will be recovered.

**V. Commission:** In addition to the Salary and perquisites, such commission may also be paid as may be determined by the Board of Directors of the Company, based on the net profits of the Company, provided that the total remuneration of Mrs. Savita Punia, Whole Time Director, inclusive of commission in any financial year does not exceed such percentage of the net profits of the Company in accordance with the ceiling limits laid down in Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

**VI. Other Terms**

- i) Reimbursement of actual out of pocket expenses incurred in connection with the business of the Company.
- ii) Reimbursement of entertainment expenses incurred for the business of the Company.
- iii) Reimbursement of traveling expenses in India and abroad for business promotion as and when required will be governed by the Company's policy.
- iv) She shall work under the superintendence and control of the Board of Directors. As long as she functions as Whole Time Director, she shall not be paid any sitting fee to attend the meeting of the Board and/or committee thereof.
- v) The appointment may be terminated by either party giving the other party three months' notice in writing on the expiry of which, the appointment will come to an end.

**Place:** New Delhi

**Date:** 22<sup>th</sup> August 2011

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

**Sd/=**

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

# Director's Report

To,

**The Members,**

Your Directors have great pleasure in presenting the 15<sup>th</sup> Annual Report together with audited statements of accounts for the Financial Year ended 31<sup>st</sup> March 2011.

The performance of the Company for the financial year ended 31<sup>st</sup> March 2011 is summarized below:

(` In Lakhs)

Particulars	Year ending 31 <sup>st</sup> March 2011	Year ending 31 <sup>st</sup> March 2010
Net Income	14223.59	13205.64
EBIDTA	1428.23	1328.99
Less: Interest	827.77	768.37
Less: Depreciation	132.49	128.65
Profit before Tax	467.97	431.97
Provisions for Tax	160.42	161.91
Profit After Tax	307.55	270.06
Less: Income Tax for Earlier Years	4.10	7.40
Add: Excess Provisions for Tax Written Back	0.00	00.00
Profit Available for Appropriation	303.45	262.66
Appropriations		
- General Reserves	250	250.00
Balance Carried Forward to Balance Sheet	53.45	12.65

## PERFORMANCE

The Net Income of the Company for the year was ` 14223.59 lakhs, registering a marginal growth of 8% over the corresponding previous year since the real-estate and housing sector has been facing a severe slow down during past two-three years now. The trading activities of the Company increase fourfold during the year under review since Company had to cater to certain projects on an urgent basis for which ready material was procured to cut short the time lag. Strengthening of manufacturing processes resulted in increase of manufacturing expenses by around 42%. Personnel expenses increased by approx.16% in view of the fresh recruitment and annual increments for the existing manpower. Financial expenses increased by 8% due to increase in the overall exposure of credit and increase in interest rates by the Banks. The strict monitoring of the administrative and selling costs resulted in reduced of the same by around 7% during the year under view. The profit before tax for the year increased by 8% and Net Profit increased by 14%.

The Company's Singur Unit commenced production during August 2010. The Company set up three new exclusive franchisee with registered brand name "**Rare Earth**" in Dehradun, Cuttack and Bhatinda.. These franchisees are marketing exclusively the natural and engineered marble with brand "**Marbre Oriental**".

### 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 during the year under review by commissioning of the Singur unit of the Company during August 2010. The project-wise utilization of the funds as follows:

Rs.in Lakhs

PROJECT HEADINGS	Out of IPO Proceeds	Out of Term Loan from ICICI Bank	Out of Internal Accruals of the Company	Total amount incurred
GNOIDA	374.32	350.00	84.38	808.70
CHENNAI	844.75	148.51	35.80	1029.06
KOLKATA	915.56	189.69	45.73	1150.98
MKTING OUTLET-NCR	545.22	0.00	0.00	545.22
MININING MACHINERIES	190.45	0.00	0.00	190.45
LONG TERM WORKING CAPITAL*	637.74	0.00	382.26	1020.00
ISSUE EXP	416.16	0.00	0.00	416.16
CORPORATE PURPOSE	545.49	0.00	0.00	545.49
PRE-OPERATIVE	0.00	0.00	226.07	226.07
<b>TOTAL</b>	<b>4469.70</b>	<b>688.20</b>	<b>774.24</b>	<b>5932.14</b>

The final report with regard to utilization of the funds raised in the IPO has been delivered to the monitoring agency for further course of action as well as to the Stock Exchanges for display on their portal for perusal of all stakeholders.

### 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 2011.

### 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, two units with annual processing capacity of 12600 MT have been set up at Gumidipoondi near Chennai and at Singur district of West Bengal. All the units of the Company are now equipped with latest state of art resin filling and polishing imported machinery. With improvement in the overall market outlook for real-estate and housing sector, the output from the units set up in the expansion program would start giving results from the financial year 2011-12 and onwards.



## 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.

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. Vivek Seth and Prof. Arvind Basu, 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 2011 on a going concern basis.

## AUDITORS

The Board, on the recommendation of the Audit Committee, has proposed that M/S Ravish Agrawal & Associates, Chartered Accountants, C-70, Alpha-I, Greater Noida, District Gautam Budh nagar-201306 be appointed as Statutory Auditor of the Company and to hold office till the conclusion of the next Annual General Meeting of the Company since M/S Mehra Wadhwa & Co., Chartered Accountants, New Delhi, have informed their inability to continue as statutory auditor of the Company from the ensuing AGM. The appointment of M/S Ravish Agrawal & Associates, Chartered Accountants, C-70, Alpha-I, Greater Noida, District Gautam Budh nagar-201306, 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.

Place: New Delhi

Date: 22<sup>th</sup> August 2011

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	2010-2011	2009-2010
1. Electricity		
a) Purchased		
Units	1201132	897464
Total Amount	9919517	6449469
Rate per Unit	8.26	7.19
b) Own generation		
i) Units (through diesel generator)	534231	246011
Units per liters of diesel oil	7.70	3.85
Cost per unit(')	5.46	9.98
(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	1.28 Units/per sq.ft.	0.64 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**

NIL
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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.

**Place: New Delhi**

**Date: 22<sup>th</sup> August 2011**

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

## Annexure 'C'

**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

Name of Director	Designation	Status
Mr. Rajesh Punia,	Managing Director	Promoter & Executive
Mrs.Savita Punia	Whole Time Director	Promoter & Executive
Mr. Sunil Kumar	Director	Non Executive Non-Independent
Mr. Vivek Seth	Director	Independent Non Executive
Mr. Rakesh Takyar	Director	Independent Non Executive
Prof. Arvind Basu	Director	Independent Non Executive

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.**

Name of Director	Attendance Particulars			No. of Outside Directorship held		
	Board Meeting	Attendance at		Directorship	Committee Membership	Chairmanship
		AGM	EGM			
Mr. Rajesh Punia,	11	Yes	-	4	-	-
Mrs. Savita Punia	11	No.	-	4	-	-
Mr. Sunil Kumar	11	No.	-	3	-	-
Mr. Vivek Seth	11	Yes	-	-	-	-
Mr. Rakesh Takyar	11	Yes.	-	-	-	-

Prof. Arvind .Basu	9	NO	-	-	-	-
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### (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. Rakesh Takyar	Yes	Yes.	Yes
Prof. Arvind.Basu	Yes	Yes	No.

### (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 30.04.2010, 31.05.2010, 01.07.2010, 12.07.2010, 14.08.2010, 25.08.2010, 01.09.2010, 19.10.2010, 12.11.2010, 15.11.2010, 12.02.2011

## 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. Rakesh Takyar	Chairman	Independent Non Executive	5
Mr. Vivek Seth	Member	Independent Non Executive	5
Prof. Arvind Basu	Member	Independent Non Executive	3
Mr. Rajesh Punia,	Member	Managing Director	5

All the members of the Audit Committee are financially literate and Mr. Rakesh Takyar, Chairman possesses financial/accounting expertise.

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 30.04.2010, 31.05.2010, 14.08.2010, 15.11.2010, 12.02.2011

## 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
Prof. Arvind Basu	Member	Independent Non Executive
Mr. Rakesh Takyar	Member	Independent Non Executive

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 16<sup>th</sup> March .2011, which was attended by all the members.

### Remuneration to Directors

The remuneration paid to Directors for the year ended 31<sup>st</sup> March 2011 is as follows:-

#### Non-Executive/Independent Directors:

Name of Director	Designation	Relationship with other Directors if any	Sitting fees	Commission	Total
Mr. Sunil Kumar	Non Executive Non-Independent	Relative of Managing/Whole time Director-	-	-	-
Mr. Vivek Seth	Independent Non Executive	-	80,000/-	-	80,000/-
Mr. Rakesh Takyar	Independent Non Executive	-	80,000/-	-	80,000/-
Prof. Arvind Basu	Independent Non Executive	-	60,000/-	-	60,000/-

### Managing Director and Whole-time Director

(` in Lakhs)

Name of Director	Designation	Relationship with other Directors if any	Salary	Commission	Perquisites and other benefit	Total
Mr. Rajesh	Managing Director	Relative of Sunil Kumar	36.00	5.65	-	41.65

Punia		and husband of Mrs. Savita Punia				
Mrs. Savita Punia	Whole-time Director	Relative of Sunil Kumar and wife of Mr. Rajesh Punia	24.00	-	-	24.00

## 5. Shareholders' /Investors' Grievance & Share Transfer Committee

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.

The Committee comprises of the following persons:

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

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 2011 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 compliant from the investors. The Committee expressed satisfaction with the Company's performance in dealing with the investor grievances.

### a) 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 follow:

Year	Location	Date	Time
2007-08	JKS Lawns 60/25, Mundka, Rohtak Road NH-10, New Delhi-110041	29 <sup>th</sup> September 2008	9:30am
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
2009-10	Farm Time, Palla Bhaktawarpur Road, GT Karnal Road, Delhi-110036	28 <sup>th</sup> September 2010	9.30a.m

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

**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

**Annual General Meeting held on 28<sup>th</sup> September 2010**

- 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 2011 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

## **11. 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.

## 12. General Shareholders Information

### (a) Annual General Meeting

Date : Wednesday, 28<sup>th</sup> September, 2011  
 Time : 09.30 a.m.  
 Venue : Surya Garden, Palla Bakhtawarpur Road, Village Alipur, Delhi-36

### (b) Financial Calendar

-Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March  
 -Financial Reporting for First Quarter Result : 2<sup>nd</sup> Week of August  
 -Financial Reporting for Second Quarter Result : 2<sup>nd</sup> Week of November  
 -Financial Reporting for Third Quarter Result : 2<sup>nd</sup> Week of February  
 -Financial Reporting for Fourth Quarter results : 4<sup>th</sup> Week of April/May  
 -Financial Reporting for the year ended March 31<sup>st</sup> 2011: 4<sup>th</sup> Week of May 2011  
 -Annual General Meeting for the year ending March 31, 2011: September 2011

(c) **Book Closure Period** : Saturday, September 24<sup>th</sup> 2011 to Wednesday, September 28<sup>th</sup>, 2011 (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 2010-11 (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	INE998H01012

2.	National Stock Exchange of India Limited, Mumbai	ORIENTALTL/ 14346	
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**(e) Market Price Data**

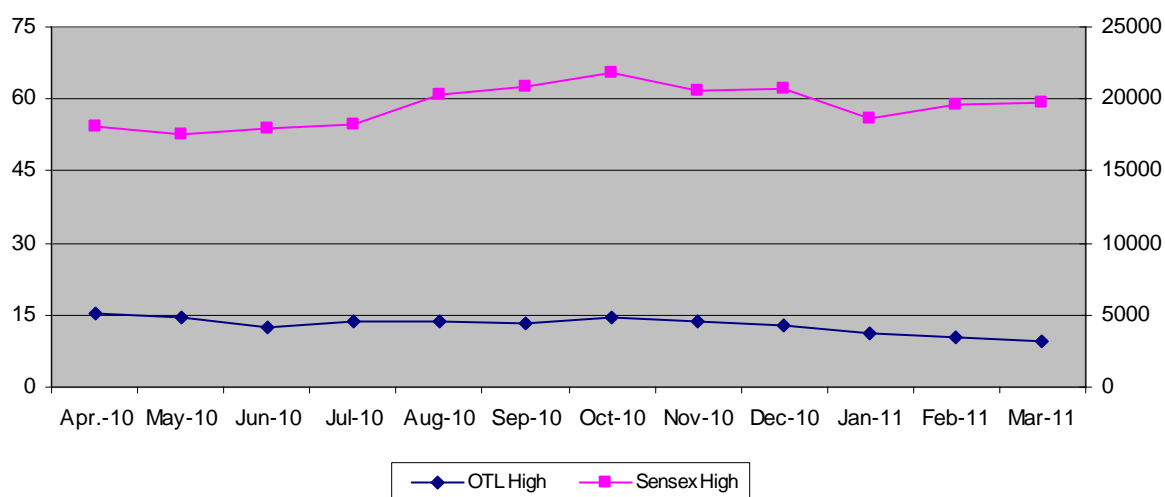
The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The high and low of the market price data of the Equity Shares of the Company for the Financial Year ended 31<sup>st</sup> March 2011.

(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'10	15.45	12.40	14.95	13.95
May'10	14.45	12.00	12.50	12.00
June'10	12.59	11.60	12.25	11.80
July'10	13.65	11.58	13.55	12.95
August'10	13.70	12.20	12.60	12.25
September'10	13.40	12.15	12.70	12.00
October'10	14.50	10.50	12.35	12.35
November'10	13.75	10.10	11.00	10.35
December'10	12.80	9.85	10.95	10.35
January'11	11.00	9.05	9.75	8.55
February'11	10.38	8.28	8.90	8.60
March'11	9.35	7.63	8.50	8.10

\*Source: BSE and NSE Website

**Stock market data for the period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March 2011 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) Dematerialisation of Shares

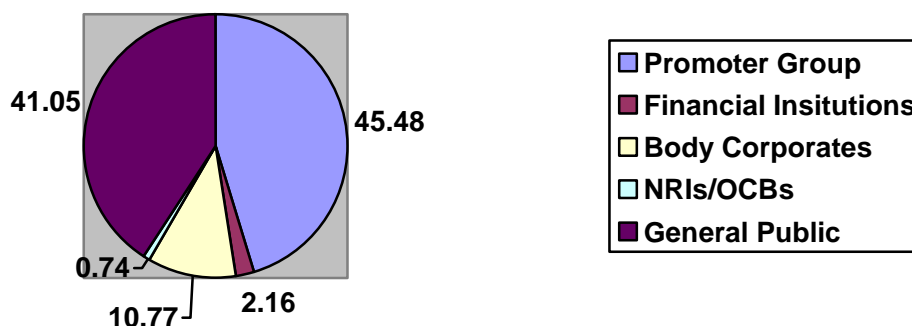
The Company has signed a tripartite agreement with NSDL, CDSL to provide for the trading of the shares in dematerialised form. Out of 14815208 Equity Shares of the Company 9311002 (62.85%) Equity Shares are in dematerialized form as on 31.03.2011.

### (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 31.03.2011

Sl. No.	Shareholder	No. of Shares	%
1.	Promoter Group (Directors & their relatives, Group Companies)	6708206	45.28
2.	Financial Institutions/Banks	320000	2.16
3.	Foreign Institutional Investors	-	-
4.	Body Corporates	1595892	10.77
5.	NRI/OCBs	110308	0.74
6.	General Public	6080802	41.05
	<b>TOTAL</b>	<b>14815208</b>	<b>100.00%</b>



**(j) Distribution of Shareholding (As on 31-03-2011)**

No of Equity Shares	No. of Shareholders	No. of Shares	% of Shareholdings
UP TO 5000	7667	1423208	79.08
5001 to 10000	1082	949830	11.16
10001to 20000	525	878822	5.42
20001to 30000	129	337126	1.33
30001to 40000	57	210805	0.59
40000 to 50000	53	254734	0.55
50001 to 100000	74	563351	0.76
100001 & Above	108	10197332	1.11

**(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](mailto:investors@orientaltrimex.com),  
Website: <http://www.orientaltrimex.com>

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

- I -** D-3, Site-V, Surajpur Industrial Area, Greater Noida, UP.
- II-** B(57)(b), SIPCOT Ind. Complex Gumidipoondi, Thiruvallur, Tamil Nadu
- III-**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 Bisht, 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 reimbursement 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 AT THE FORTHCOMING ANNUAL GENERAL MEETING [PERSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT]**

**Mr. Vivek Seth**, aged about 60 years is an Engineering Graduate from Indian Institute of Technology, Chennai (formerly known as Madras) and holds post graduate diploma in International Trade from Indian Institute of Foreign Trade (IIFT), New Delhi. He has over 33 years of work experience in the exports industry. He started his career as Executive (Exports) for Scooter India Limited and served them for five years till 1980. He was Deputy Director with Engineering Export Promotion Council from 1980 till 1992. Subsequently, he was associated with Nirman Exports and Syscon Exports Private Limited for two years and four years respectively. Since 1997, he is engaged in providing consultancy in International Trade for granite and marble industry.

**Prof. Arvind Basu**, aged about 57 years, 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, 2011, 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, 2011.

Place: New Delhi

Date: 22<sup>th</sup> August 2011

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

**Sd/=**  
**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,**  
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, 2011, 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, 2011 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: 1<sup>st</sup> August 2011**

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Development simultaneously

India is a treasure trove of stones, possessing a wide spectrum of dimensional stones viz. Granite, Marble, Sandstone, Limestone, Slate, Quartzite etc. spread out all over the country. The quality of deposits is outstanding and Indian stones are known for their strength and vibrancy. Indian Stones conform to the highest International Standards and provide excellent uniformity and consistency and have been used in several well-known buildings all over the world.

The marble industry in India has been flourishing ever since ages, which has made India the fourth largest producer of marbles in the world after Belgium, France and Greece. The Indian marble industry is not only confined at production or supply of the marbles but export of highly acclaimed stones such as blocks, flooring, calibrated (ready to fix tiles), monuments, slabs, structural slabs, tomb stones, cobbles, cubes, sculptures, artifacts, pebbles, kerbs, and landscape garden stones has also been its important part.

The constant growth of Indian marble industry is because of the reason that they are highly acclaimed and possess characters like low cost, beautiful looks and longevity. The industry is also equipped with state of the art resource of machinery and tool manufacturers who cater very well to the rising demands of this sector.

While being the third largest exporter of stones in the world, India is also amongst the largest consumers of stones and stone products. With a well-established distribution network within India, the Indian stone industry caters well to the domestic demand and rising aspirations of the burgeoning middle class of India.

### Opportunity and Threats

Factors affecting the demand & supply of marble in India- The studies indicate that the demand and supply of marble both have an increasing trend. But at present the demand of marble is growing faster than the supplies. The reasons which affect the demand and supply of marble in the country are explained here:

- **Increase in Usage of Imported Marble**

The usage of imported marble is on the increase and is in high demand from construction in high end apartments/houses, hotels, shopping malls, industrial houses etc. Imported marble being available in vibrant natural colors is liked by one and all and is used for flooring as well wall cladding.

- **Decrease in growth rate of construction activities.**

The recession of 2008 has affected the construction sector as a result there had been turbulence in the construction sector, however, the demand for the high end marble is on the increase since the affordability of the upper and upper middle class is increasing day by day.

- **Global Recession**

Despite the fact that the world economy is facing the recessionary trend for past two-three years, the Indian economy is continue to grow at 8%-9% and the demand for the high quality imported marble is increasing. The government of India has increased the quota of Import License from 3lakhs MT to 5 lakh MT in the recently declared Import Policy for marble announced on 4<sup>th</sup> August 2011 which confirms the increasing demand in the Indian market for the Imported marble. Despite the meltdown of Greece Economy, the export of marble stone from Greece has increased tremendously during last two-three years which shows that there is no affect on the demand of import marble across the globe.

**- International Disturbances**

Major disturbances in the world and especially in the Indian subcontinent have attributed to decrease in exports of marble from India, however, due to peaceful environment in India, the import of marble from Europe and Far East does not face any problem. Even during the problems in Egypt and Turkey, the imports had been regular in the recent past.

**- Other Marble Producing Nations**

Countries like China, Italy, Greece, Spain etc. are not only producing good quality of marble, but they have reduced their prices in the recent past as a result the Indian export of marble has reduced considerably and the import of marble stone from these countries have increased substantially.

**- Impact Of Government Policies On Industry**

The Government has introduced many new laws pertaining to the proper and sustainable development of marble industry, and these are well received by the persons related to the industry.

**- Removal of Excise duty:**

The Central Excise Duty on marble is charged @Rs.30 per sq.mtrs since the Indian marble ranges from Rs.20 to Rs.150 per sq.ft. whereas the Imported marble ranges from Rs.150 to Rs.1000 per sq.ft. and it is very difficult to fix the advaloram rate for the marble. The streamlining of duty structure by the Government has helped the industry in long-way in reducing the litigation with regard to levy of duty since there had been plethora of disputes between the industry and the revenue departments with regard to applicability of duty/rate of duty during 2003-2006.

**- Manufacturing Status to Marble Industry**

Prior to 1st March 2006, the marble processing was not considered as manufacturing as a result, most of the public sector banks were not financing the marble unit engaged in processing of marble. With insertion of Chapter Note 6 to the Central Excise Tariff, the cutting and polishing of marble has brought under the definition of manufacturing. With this change, the government has shown its intention to give marble processing an industry status.

### - New marble policy

The new import policy of marble declared on 4<sup>th</sup> August, 2011, the Government has increased the quota of Special Import License from 3 lakhs tons to 5 lakhs tons thus facilitating the manufacturers with adequate quantities of raw materials.

## Performance of the Company

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

Year	Turnover (`in Millions)	Increase in %
2006-07	785	55%
2007-08	1049	34%
2008-09	1116	7%
2009-10	1322	19%
2010-11	1422	8%

As evident from the above figures, it is evident that the Company has registered Annual Growth Ratio of about 24% 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, Gumidipoondi and Singur Unit of the Company.

### Revenues

The Net Income of the Company increased by 7.46% i.e., from `132.06 Crores in 2009-10 to 142.23 Crores in 2010-11.

### EBIDTA

The Earning before interest, depreciation and Tax (EBIDTA) increased by 7.47% i.e., `13.29 Crore in the year 2009-10 to `14.28 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

The Consumption of Raw Material decreased by 29.76% i.e., from `125.05 crores in 2009-10 to `87.83 crores in 2010-11.

### Manufacturing Expenses

The manufacturing Expenses increased by around 42.47% i.e., from `4.76 crores in 2009-10 to `6.78 Crores in 2010-11 on account of operationalization of Gumidipoondi and Singur unit of the Company.

### Staff Cost

The staff cost increased by around 16.22% i.e., from `3.48 Crores in 2009-10 to `4.04 Crores in 2010-11, 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 7.73% i.e., `7.68 Crores in 2009-10 to `8.28 Crores in 2010-11 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 apart from increase in the interest rates by the Banks.

### **Administrative & Selling Costs**

The administrative and selling costs reduced by 6.73% i.e., `6.72 crores in 2009-10 to `6.27 crores during 2010-11 on account of streamlining of administrative and selling costs.

### **Depreciation**

Due to implementation of the Singur Unit of the Company during 2010-11, there had been capitalization of building, plant and machinery and accordingly the depreciation for the year increased by around 2.98% i.e., `128.65 lakhs during 2009-10 to `132.49 lakhs in 2010-11.

### **Profits after Tax**

The Profit after tax increased by approx 15.53% i.e., from `2.63 Crores in 2009-10 to `3.03 Crores during 2010-11. 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 2.05 per equity share in the year under review from 1.77 per equity share for the previous fiscal 2009-10 thus registering a growth of 15.82%. The increased profit after tax resulted in higher EPS during the year under review.

### **Reserves & Surplus**

The Reserves & Surplus increased by 6.80% i.e., from `44.71 Crores in 2009-10 to `47.75 Crores in 2010-11.

### **Loans**

The overall loans in the Balance Sheet increased by 3.03% i.e., from `126.21 Crores during 2009-10 to `130.24 Cr in the year 2010-11 on account of temporary increase in the Cash Credit account towards issuance of cheques and availment of higher credit limit in buyers account.

### **Gross Block**

The Company's gross block of fixed assets (including capital work in process) increased from `35.80 Crores in 2009-10 to ` 44.02 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. 11.31% 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 7.46% whereas the debtors increased by 19.73%, 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 30% due to the optimum utilization of resources in the operations of the Company.

### **Sundry Creditors**

Sundry Creditors for goods increased by 61.57% i.e., from `10.59 Crores in 2009-10 to `17.11 Crores in 2010-11 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 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 in Uttar Pradesh, Gumidipoondi in Tamilnadu and Singur in West Bengal, which are 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 profit- ability, 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.

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

**26/25, Bazar Marg,  
Old Rajinder Nagar,  
New Delhi - 110 060.**

**Ph: 25739582/25813730**

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

- 1) We have audited the Balance Sheet of Oriental Trimex Limited as at 31st March, 2011 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as director in 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, 2011
  - 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.**

**Place: New Delhi**

**Date: May 30, 2011**

**ROHIT WADHWA, F.C.A.,**  
**(Partner)**  
**MEMBERSHIP .No. 83100**

**ANNEXURE TO THE AUDITORS' REPORT FOR THE  
YEAR ENDED 31ST MARCH, 2011**

- 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 not 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:

<b><u>Particulars</u></b>	<b><u>Amount</u></b> <b>(Rs. Lacs)</b>	<b><u>Forum where pending</u></b>
CST/VAT	9.34	Deputy Commissioner Noida
CST/VAT	1.10	Commissioner Appeals, Bangalore
CST/VAT	1.29	Deputy Commissioner Appeals, New Delhi
CST/VAT	1.12	DVATO, 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.

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

**Place: New Delhi**

**Date: May 30, 2011**

**ROHIT WADHWA, F.C.A.,  
(Partner)  
MEMBERSHIP .No. 83100**

**ORIENTAL TRIMEX LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2011**

<b><u>SOURCES OF FUNDS</u></b>	<b><u>SCHEDULE</u></b>	<b><u>AS AT 31.03.11 Rupees</u></b>	<b><u>AS AT 31.03.10 Rupees</u></b>
<b>SHAREHOLDERS' FUNDS</b>			
Equity Share Capital	1	148,152,080	148,152,080
Reserves & Surplus	2	477,485,030	447,140,305
<b>DEFERRED TAX LIABILITY</b>		22,380,157	14,338,176
<b>LOAN FUNDS</b>			
Secured Loans	3	650,651,570	640,150,878
Unsecured Loans	4	<u>3,737,242</u>	<u>14,320,862</u>
<b>TOTAL</b>		<u>1,302,406,079</u>	<u>1,264,102,300</u>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>FIXED ASSETS</b>	5		
Gross Block		440,245,376	357,984,622
Less : Depreciation		<u>42,567,249</u>	<u>29,650,131</u>
Net Block		397,678,127	328,334,491
Capital Work in Progress (including capital advances)		<u>2,203,975</u>	<u>64,852,709</u>
		<u>399,882,102</u>	<u>393,187,200</u>
<b>CURRENT ASSETS; LOANS &amp; ADVANCES</b>			
Inventories	6	722,255,023	648,855,853
Sundry Debtors	7	236,805,768	197,782,561
Cash & Bank Balances	8	37,748,340	53,753,284
Other Current Assets	9	<u>71,502,702</u>	<u>77,709,247</u>
		<u>1,068,311,833</u>	<u>978,100,945</u>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	10	171,087,262	105,880,444
Provisions	11	<u>15,499,572</u>	<u>18,928,590</u>
		<u>186,586,834</u>	<u>124,809,034</u>
<b>NET CURRENT ASSETS</b>		<u>881,724,999</u>	<u>853,291,911</u>
<b>MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)</b>	12	<u>20,798,979</u>	<u>17,623,188</u>
<b>TOTAL</b>		<u>1,302,406,079</u>	<u>1,264,102,300</u>
<b>NOTES ON ACCOUNTS</b>	20	-	-
For and on behalf of the Board		As per our report of even date. For MEHRA WADHWA & CO. Chartered Accountants	

**Rajesh Punia**  
DIN00010289  
Managing Director  
NEW DELHI  
MAY 30, 2011

**Savita Punia**  
DIN00010311  
Director

**Hari Singh Bisht**  
FCS5409  
Company Secretary

ROHIT WADHWA, F.C.A.,  
Partner  
M. No. 83100



**ORIENTAL TRIMEX LIMITED****PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2011**

<b><u>INCOME</u></b>	<b><u>SCHEDULE</u></b>	<b>YEAR ENDED 31.03.11 <u>Rupees</u></b>	<b>YEAR ENDED 31.03.10 <u>Rupees</u></b>
Sales		1,420,621,217	1,322,039,291
Other Operative Income		8,295,729	2,516,428
		<u>1,428,916,946</u>	<u>1,324,555,719</u>
Less: Excise Duty		6,557,634	3,991,021
		<u>1,422,359,312</u>	<u>1,320,564,698</u>
Other Income	13	16,868,914	55,784,021
Variation in Stocks	14	<u>131,304,317</u>	<u>226,336,877</u>
<b>TOTAL</b>		<u>1,570,532,543</u>	<u>1,602,685,596</u>
<b><u>EXPENDITURE</u></b>			
Purchase of Traded Goods		378,487,854	69,755,277
Consumption of Raw Materials	15	878,331,771	1,250,470,023
Manufacturing Expenses	16	67,798,204	47,588,794
Personnel Expenses	17	40,435,248	34,793,258
Financial Charges	18	82,777,267	76,837,006
Administrative and Selling and			
Distribution Expenses	19	62,656,158	67,179,159
Depreciation	5	<u>13,249,029</u>	<u>12,865,043</u>
<b>TOTAL</b>		<u>1,523,735,531</u>	<u>1,559,488,560</u>
<b>PROFIT BEFORE TAX</b>		46,797,012	43,197,036
Less: Provisions			
- Current Tax		8,000,000	11,500,000
- Deferred Tax Liability (Asset)		<u>8,041,981</u>	<u>4,691,277</u>
<b>PROFIT AFTER TAX</b>		30,755,031	27,005,759
Less: Income Tax for earlier years		<u>410,306</u>	<u>740,535</u>
		<u>30,344,725</u>	<u>26,265,224</u>
Add: Excess Provision for tax written back		-	-
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<u>30,344,725</u>	<u>26,265,224</u>
<b>APPROPRIATIONS</b>			
Transferred to General Reserve		25,000,000	25,000,000
Dividend (Interim)		-	-
Dividend Proposed		-	-
Dividend Tax		-	-
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<u>5,344,725</u>	<u>1,265,224</u>
Earning Per Share (Face Value Rs. 10 Each)			
On Profit after Taxation			
Basic		2.05	1.77
Diluted		2.05	1.77

## NOTES ON ACCOUNTS

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For and on behalf of the Board

As per our report of even date.  
For MEHRA WADHWA & CO.  
Chartered Accountants

**Rajesh Punia**  
**DIN00010289**  
**Managing Director**  
NEW DELHI  
MAY 30, 2011

**Savita Punia**  
**DIN00010311**  
**Director**

**Hari Singh Bisht**  
**FCS5409**  
**Company Secretary**

ROHIT WADHWA, F.C.A.,  
Partner  
M. No. 83100

**ORIENTAL TRIMEX LIMITED****CASH FLOW STATEMENT**

Particulars	FY - 2010-11 Rs.	FY - 2009-10 Rs.
A) Cash Flow from Operating Activities:		
Net Profit before tax and extraordinary items	46,797,012	43,197,036
Adjustments for:		
a) Depreciation	13,249,029	12,865,043
b) Loss on sale of fixed assets	105,104	-
c) Profit on sale of fixed assets	-	(1,269,087)
d) Write offs	-	-
e) Provision for Gratuity	717,204	942,010
f) Gratuity Paid	(90,000)	(37,359)
g) Provision for Doubtful Debts	3,580,338	3,890,797
h) Interest Income	(7,604,750)	(1,431,647)
i) Exchange Gain	(1,984,319)	(9,703,465)
j) Exchange Loss	-	-
k) Interest Expense	82,777,267	76,837,006
	90,749,873	82,093,298
Operating Profit before Working Capital Change	137,546,885	125,290,334
Adjustments for:		
a) Trade & Other Receivables	(32,640,793)	(47,506,081)
b) Inventories	(73,399,170)	(181,660,134)
c) Trade Payables and Other Liabilities	65,206,818	17,158,849
	(40,833,145)	(212,007,366)
Cash generated from Operations	96,713,740	(86,717,032)
Net Prior year adjustments	-	-
Taxes Paid	(12,118,111)	(4,453,668)
Net Cash used in Operating Activities	84,595,629	(91,170,700)
B) Cash Flow from Investing Activities:		
a) Purchase of Fixed Assets/Exp on CWIP	(44,917,042)	(48,827,464)
b) Sale of Fixed Assets	20,763,386	3,632,159
c) Interest Received	7,604,750	1,431,647
d) Preliminary Expenses for Mines Development	(3,175,791)	(2,536,800)
Net Cash used in Investing Activities	(19,724,697)	(46,300,458)
C) Cash flow from Financing Activities :		
a) Interest Paid	(82,777,267)	(76,837,006)
b) Dividend Paid	-	-
c) Exchange Gain	1,984,319	9,703,465
d) Exchange Loss	-	-
e) Proceeds from Long Term Borrowings (Net)	15,150,050	(20,285,337)
f) Proceeds from Short Term Loans (Net)	(15,232,978)	200,937,101
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	(80,875,876)	113,518,223
Net increase in Cash & Cash Equivalents (A+B+C)	(16,004,944)	(23,952,935)
Opening balance of Cash and Cash equivalent	53,753,284	77,706,218

Closing balance of Cash and Cash equivalent	37,748,340	53,753,284
	37,748,340	53,753,284
	-	-
For and on behalf of the Board	As per our report of even date. For MEHRA WADHWA & CO. Chartered Accountants	
<b>Rajesh Punia</b> <b>DIN00010289</b> <b>Managing Director</b> NEW DELHI MAY 30, 2011	<b>Savita Punia</b> <b>DIN00010311</b> <b>Director</b>	<b>Hari Singh Bisht</b> <b>FCS5409</b> <b>Company Secretary</b>
	ROHIT WADHWA, F.C.A., Partner M. No. 83100	

**SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET AS AT  
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

<b><u>SCHEDULE - 1</u></b> <b><u>SHARE CAPITAL</u></b>	<b><u>AS AT</u></b> <b><u>31.03.11</u></b> <b><u>Rupees</u></b>	<b><u>AS AT</u></b> <b><u>31.03.10</u></b> <b><u>Rupees</u></b>
Authorised 1,60,00,000 Equity Shares of RS.10 each (Last year 1,60,00,000 Equity Shares of Rs. 10 each)	<u>160,000,000</u>	<u>160,000,000</u>
Issued, Subscribed and Paid-up 1,48,15,208 Equity Shares of Rs. 10 each fully paid up (Last year 1,48,15,208 Equity Shares of Rs. 10 each)	<u>148,152,080</u>	<u>148,152,080</u>
(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)		
<b><u>SCHEDULE - 2</u></b> <b><u>RESERVES &amp; SURPLUS</u></b>		
General Reserve As per last Balance Sheet Add: Transfer from Profit & Loss Account	<u>41,136,106</u> <u>25,000,000</u> <u>66,136,106</u>	<u>16,136,106</u> <u>25,000,000</u> <u>41,136,106</u>
Securities Premium As per last Balance Sheet Add: Addition during the year	<u>312,032,184</u> <u>-</u> <u>312,032,184</u>	<u>312,032,184</u> <u>-</u> <u>312,032,184</u>
Less: Public Issue Expenses Written Off Less: Preliminary Expenses Written Off	<u>-</u> <u>-</u> <u>312,032,184</u>	<u>-</u> <u>-</u> <u>312,032,184</u>
Profit and Loss Account (Unappropriated balance) As per last Balance Sheet Add: Net Profit for the period	<u>93,972,015</u> <u>5,344,725</u> <u>99,316,740</u>	<u>92,706,791</u> <u>1,265,224</u> <u>93,972,015</u>
	<u>477,485,030</u>	<u>447,140,305</u>

**ORIENTAL TRIMEX LIMITED**

<b><u>SCHEDULE - 3</u></b> <b><u>SECURED LOANS</u></b>	<b><u>AS AT</u></b> <b><u>31.03.11</u></b> <b><u>Rupees</u></b>	<b><u>AS AT</u></b> <b><u>31.03.10</u></b> <b><u>Rupees</u></b>
<u>Term Loans</u>		
From Banks	84,899,286	58,524,186
From Others	1,764,855	2,406,285
<u>Working Capital Loans</u>		
From Banks	540,458,217	527,125,138
<u>Other Loans</u>		
From Banks		
-Short Term Loan	-	6,226,013
-Against Buyer's Credit (in Foreign Currency)	19,659,152	42,163,678
From Others		
-Demand Loan (From LIC of India)	<u>3,870,060</u>	<u>3,705,578</u>
	<u>650,651,570</u>	<u>640,150,878</u>

Term Loans secured by exclusive charge on the assets financed by Term Loans. Also secured by pari passu charge on both present and future movable fixed assets of the company.

However, WCDL from a bank also secured by exclusive charge over receivables from a customer.

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.

**SCHEDULE - 4**  
**UNSECURED LOANS**

From Banks	199,967	3,552,254
From Others	<u>3,537,275</u>	<u>10,768,608</u>
	<u>3,737,242</u>	<u>14,320,862</u>

ORIENTAL TRIMEX LIMITED SCHEDULE - 5 : FIXED ASSETS										
DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT	OF	OF	AS AT	AS AT	FOR THE	WRITTEN	AS AT	AS AT	AS AT
	<u>31.03.10</u>	<u>ADDITIONS</u>	<u>-CTIONS</u>	<u>31.03.11</u>	<u>31.03.10</u>	<u>YEAR</u>	<u>BACK</u>	<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>
	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Land	64,203,944	2,204,744	-	66,408,688	-	-	-	-	64,203,944	66,408,688
Buildings (inc roads)	7,209,823	-	-	7,209,823	5,660	115,778	-	121,438	7,204,163	7,088,385
Buildings-Factory	116,899,884	14,996,661	-	131,896,545	6,356,118	3,860,998	-	10,217,116	110,543,766	121,679,429
Puerely Temporary Erections	1,871,584	-	-	1,871,584	1,569,619	301,965	-	1,871,584	301,965	-
Plant & Machinery	150,354,325	65,221,170	-	215,575,495	16,182,023	7,179,188	-	23,361,211	134,172,302	192,214,284
Computer	1,874,616	272,282	-	2,146,898	1,094,909	310,818	-	1,405,727	779,707	741,171
Truck	1,069,209	-	-	1,069,209	586,005	120,928	-	706,933	483,204	362,276
Cars	12,687,620	704,107	1,296,191	12,095,536	3,490,625	1,244,419	299,056	4,435,988	9,196,995	7,659,548
Furniture & Fixtures	1,813,617	157,981	-	1,971,598	365,172	114,935	32,855	447,252	1,448,445	1,524,346
	357,984,622	83,556,945	1,296,191	440,245,376	29,650,131	13,249,029	331,911	42,567,249	328,334,491	397,678,127
Previous Year Figures	300,587,642	60,183,885	2,786,905	357,984,622	17,219,551	12,865,043	434,465	29,650,129	283,368,091	328,334,493

**SCHEDULE - 6****INVENTORIES**

(As taken, valued and certified by the management)

	<b>AS AT 31.03.11 Rupees</b>	<b>AS AT 31.03.10 Rupees</b>
Raw Materials	36,710,689	116,114,992
Raw Materials in Transit	27,186,774	6,267,888
Stores and Spares	2,580,250	1,999,980
Finished Goods	<u>655,777,310</u>	<u>524,472,993</u>
	<u>722,255,023</u>	<u>648,855,853</u>

**SCHEDULE - 7****SUNDRY DEBTORS**

(Unsecured; Considered good unless otherwise stated)

Exceeding six months		
-Considered Good	84,095,676	91,066,618
-Considered Doubtful	<u>5,081,785</u>	<u>5,638,007</u>
	89,177,461	96,704,625
Other debts	<u>147,628,307</u>	<u>101,077,936</u>
	<u>236,805,768</u>	<u>197,782,561</u>

**SCHEDULE - 8****CASH & BANK BALANCES**

Cash in hand	8,738,652	3,522,925
Imprests	1,381,880	167,293
Balance in current accounts with scheduled banks	913,098	1,238,520
Balance in fixed deposits with banks (as margin money) (Including interest accrued)	19,235,746	20,773,346
Balance in other fixed deposits with banks (Including interest accrued)	<u>7,478,964</u>	<u>28,051,200</u>
	<u>37,748,340</u>	<u>53,753,284</u>

**SCHEDULE - 9****OTHER CURRENT ASSETS**

(Unsecured; Considered Good unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received		
-Considered Good	25,417,005	26,119,971
-Considered Doubtful	<u>300,000</u>	<u>300,000</u>
	25,717,005	26,419,971
Security deposits	10,351,476	11,464,840
Taxes paid in advance	837,981	662,112
Balance with Revenue Authorities	<u>34,596,240</u>	<u>39,162,324</u>
	<u>71,502,702</u>	<u>77,709,247</u>

**SCHEDULE - 10****CURRENT LIABILITIES**

Sundry Creditors (Goods)	39,221,324	20,892,451
Sundry Creditors (Other than goods)	43,233,807	34,769,438
Security Deposits and Advances	2,951,000	6,141,000
Customers at Credit	56,935,822	22,997,699
Expenses Payable	7,933,661	7,419,281
Statutory Liabilities	20,610,077	13,283,536
Interest Accrued But Not Due	<u>201,571</u>	<u>377,039</u>
	<u>171,087,262</u>	<u>105,880,444</u>

**SCHEDULE - 11****PROVISIONS**

Provision for Gratuity	2,117,787	1,490,583
Provision for Doubtful Debts	5,381,785	5,938,007
Provision for Income Tax	8,000,000	11,500,000
	<u>15,499,572</u>	<u>18,928,590</u>

**SCHEDULE - 12****MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Mines Development Expenditure (net of recoveries)	20,798,979	17,623,188
	<u>20,798,979</u>	<u>17,623,188</u>

**SCHEDULE - 13****OTHER INCOME**

	<b><u>AS AT</u></b> <b><u>31.03.11</u></b>	<b><u>AS AT</u></b> <b><u>31.03.10</u></b>
Interest Received	7,604,750	1,431,647
Exchange Gain	1,984,319	9,703,465
Sundry Balances Written Back	3,510,032	30,154,732
Profit on Sale of Assets	-	1,269,087
Insurance Claim	-	133,064
Miscellaneous Income	3,769,813	13,092,026
	<u>16,868,914</u>	<u>55,784,021</u>

**SCHEDULE - 14****VARIATION IN STOCKS**

STOCK IN TRADE (at close)		
Finished Goods/Traded Goods	655,777,310	524,472,993
Stock in Process	-	-
	<u>655,777,310</u>	<u>524,472,993</u>

STOCK IN TRADE (at commencement)		
Finished Goods/Traded Goods	524,472,993	298,136,116
Stock in Process	-	-
	<u>524,472,993</u>	<u>298,136,116</u>

INCREASE (DECREASE) IN STOCKS	<u>131,304,317</u>	<u>226,336,877</u>
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**SCHEDULE - 15****CONSUMPTION**

Opening Stock	122,382,880	167,509,603
Add:		
Purchases	691,230,872	1,074,410,913
Custom Duty	38,023,086	33,963,531
Freight and Clearing Charges	90,592,396	96,968,856
	<u>942,229,234</u>	<u>1,372,852,903</u>
Less: Closing Stock	<u>63,897,463</u>	<u>122,382,880</u>
	<u>878,331,771</u>	<u>1,250,470,023</u>

**SCHEDULE - 16****MANUFACTURING EXPENSES**

Stores and Spares	33,846,974	23,209,979
Fuel and Power Charges	12,961,092	9,147,689
Repairs and Maintenance-Machinery	3,651,429	2,168,398

Other Manufacturing Expenses	17,338,709	13,062,728
	<u>67,798,204</u>	<u>47,588,794</u>

**SCHEDULE - 17****PERSONNEL**

Salaries, Wages, Bonus and Allowances	36,964,907	30,664,489
Contribution to Provident and Other Funds	1,959,451	1,976,195
Staff and Labour Welfare	1,510,890	2,152,574
	<u>40,435,248</u>	<u>34,793,258</u>

**SCHEDULE - 18****FINANCIAL CHARGES**

Bank Charges	5,050,966	7,567,009
Interest Paid-Working Capital	74,088,851	63,026,543
Interest Paid-Term Loans	2,042,896	3,847,792
Interest Paid-Others	1,594,554	2,395,662
	<u>82,777,267</u>	<u>76,837,006</u>

**SCHEDULE - 19****ADMINISTRATIVE AND SELLING AND DISTRIBUTION EXPENSES**

Electricity and Water Charges	1,047,052	1,091,635
Rent	10,152,452	11,731,667
Rates & Taxes	582,520	551,396
Printing and Stationery	738,098	655,970
Communication Expenses	2,107,067	2,413,644
Vehicles Running and Maintenance	2,967,937	2,283,989
Travelling and Conveyance	5,097,043	6,863,572
Legal & Professional charges	2,051,466	1,822,470
Auditors' Remuneration	226,115	226,115
Insurance	3,330,292	1,886,032
Fees & Subscription	544,185	782,795
Repairs & Maintenance	1,641,076	3,384,944
Miscellaneous Expenses	1,748,795	1,225,748
Loss of Goods	3,219,876	4,839,389
Loss on Sale of Assets	105,104	-
Donation	51,712	30,908
Fines and Penalties	135,708	91,000
Advertisement and Publicity	1,565,893	3,338,561
Business Promotion and Entertainment	1,617,045	3,852,808
Rebates and Discount	1,287,557	1,639,476
Sales Tax Paid	131,684	6,260
Excise Duty Paid	-	2,825,551
Service Tax Paid	21,154	75,386
Diwali Gift	-	76,480
Transportation & Handling Charges	4,438,934	7,512,903
Claim for Refund Written off	8,587,608	-
Irrecoverable Written Off	5,679,447	4,079,663
Provision for Doubtful Debts	3,580,338	3,890,797
	<u>62,656,158</u>	<u>67,179,159</u>



**SCHEDULE - 20 : NOTES ON ACCOUNTS****I. SIGNIFICANT ACCOUNTING POLICIES****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 recognised 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 realisable value
Semi-finished	At lower of cost or net realisable value
Finished	At lower of production/landed cost or net realisable value.
	Appropriate overheads are loaded on absorption costing basis.
Goods in transit	At lower of cost or net realisable value
Stores and spares	At lower of cost or net realisable value

**f) Leases**

Operating Leases: Rental are expensed with reference to lease terms and other considerations.

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

Revenue is recognised 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 recognised 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 recognised 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 realisation.
- (iv) Premium / discount on forward exchange contracts (including options), which are not intended for trading or speculation purposes, are amortised 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 recognised 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 unutilised 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 capitalised 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 or adjusted)**

Mines Development Expenses shall be amortised 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 has been determined as per provisions of the Income Tax Act, 1961.

Deferred tax is recognised, 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 recognised 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 obligation, where a reliable estimate cannot be made.

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

	YEAR ENDED 31.03.11 (Rs. in lacs)	YEAR ENDED 31.03.10 (Rs. 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	80.19	54.51
Related to mines development expenditure	14.84	8.83
b) Deferred Tax Assets		
Disallowance under the Income Tax Act	14.61	16.43
c) Provision for deferred tax (net)	80.42	46.91
<b>2) Letters of confirmation of balances appearing under the heads Sundry Debtors, Other Current Assets, Sundry Creditors, Customers at credit, have been sent to most of the parties.</b>		
<b>3) Taxes paid in advance under the head "OTHER CURRENT ASSETS" consists of:-</b>		
i) Rs.8.17 lacs on account of interest received (previous year Rs. 6.29 lacs)		
ii) Rs. 0.20 lacs on account of jobwork receipts (previous year Rs.0.32 lacs)		
iii) Rs. 0.00 lacs on account of other income (previous year Rs.0.01 lacs)		
<b>4) Loans repayable within one year</b>		
Secured Loans	397.22	159.27
Unsecured Loans	23.87	106.27
<b>5) Prior Period Expenses</b>		
Salaries, Wages, Bonus and Allowances	0.01	0.06
Telephone Expenses	-	0.04
Electricity and Water Charges	-	0.08
Professional Expenses	0.10	-

6)	The amount shown under the head "Expenses Payable" in Schedule-11 includes amount due to:- Directors in current accounts	84.85	82.89
7)	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.		
8)	The company has incurred a loss of Rs. 32.20 lacs (Last Year Rs. 48.39 lacs) on account of not getting the goods released from the customs authorities in time.		
9)	<b>Contingent Liabilities</b>		
	a) Letters of credit	617.36	660.42
	b) Bank Guarantees	658.75	293.74
	c) Guarantee issued to Customs Authorities	6.42	6.42
	d) Claims against the company not acknowledged as debts (net of deposit)		
	Sales Tax	12.85	68.28
	Income Tax	-	-
	Custom Duty	9.36	9.36
	Excise Duty	-	-
	e) Estimated amount of contracts remaining to be executed on Capital account and not provided for.	-	185.01
10)	<b>Managerial Remuneration</b>		
	Salary and Allowances	60.00	63.58
	Sitting Fee	2.20	3.85
	Commission	5.65	5.22
11)	<b>Computation of Net Profit under Section 349 of the Companies Act, 1956:</b>		
	Profit before tax as per Profit and Loss A/c	467.97	431.97
	Add:		
	Provision for Doubtful Debts	35.80	38.91
	Loss on Sale of Assets	1.05	-
	Directors' Remuneration	60.00	63.58
	Depreciation	<u>132.49</u>	<u>128.65</u>
		697.31	663.11
	Less: Profit on Sale of Assets	-	12.69
	Less: Depreciation u/s 350	<u>132.49</u>	<u>128.65</u>
		<u>564.82</u>	<u>521.77</u>
	Commission Payable to the Managing Director	5.65	5.22
12)	<b>Auditors' Remuneration</b>		
	(a) as auditor	1.38	1.38
	(b) as advisor, or in any other capacity, in respect of		
	(i) taxation matters	0.55	0.55
	(ii) other matters	0.33	0.33
13)	Unutilised monies as on 31st March, 2011 out of the proceeds from the issue of equity shares is invested as :	(Rs. in lacs)	
	a) In current account with a bank	0.01	20.37
	b) In fixed deposit with a bank (including interest accrued)	74.79	72.62
	c) In fixed deposit with a bank (including interest accrued)		
	(Margin)	-	<u>207.89</u>
		<u>74.80</u>	<u>300.88</u>

- 14) a) Expenditure shown under the head "Capital work-in-progress" is represented by the following expenses

	Balance as at 31.03.10	Incurred During the yr	Capitalized During the yr	Balance as at 31.03.11
Expansion Project	64,776,539	2,144,200	66,353,039	567,700
Other Expenditure	76,170	1,656,275	96,170	1,636,275

Balance as at the year end includes capital advances of Rs. 0.00 lacs (previous year Rs. 102.39 lacs).

- b) The company has completed all its expansion programme during the year.

## 15) TRANSACTIONS WITH RELATED PARTIES

### A) RELATIONSHIPS

- 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 Takyar, Prof. Arvind Basu,

Mr. Rakesh Punia, Mr. Dinesh Punia

### B) TRANSACTIONS WITH RELATED PARTIES

- i) Details relating to parties referred to items A)(i)

Nature of Transaction	Shareholders	Shareholders
Sale of Goods and Services	-	-
Purchase of Goods & Services	75.87	117.69
Loans Repaid	-	-
Balance at the year end-Cr (Dr)	120.91	81.81
	<b>YEAR ENDED 31.03.11 (Rs. in lacs)</b>	<b>YEAR ENDED 31.03.10 (Rs. in lacs)</b>

- 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	11.38	18.20
Purchase of Fixed Assets	-	-
Rent Paid	58.50	62.00
Amount Received	20.00	-
Balance at the year end-Cr (Dr)	26.55	12.63

- iii) Details relating to parties referred to items A)(iv)

Nature of Transaction	Directors etc	Directors etc
Remuneration	65.65	68.80
Sitting Fees	2.20	3.85
Rent	13.20	13.20

Balance at the year end-Cr (Dr)	84.85	82.89
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**16) Earnings Per Share (EPS)**

a) Profit after tax (Rs.)	30,344,725	26,265,224
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) (Annualised)	2.05	1.77
Diluted EPS (a/d) (Annualised)	2.05	1.77

**17) Segment Information**

The Company operates in single segment "flooring products segment".

**18) Additional Information as required under Schedule VI of the Companies Act, 1956.****a) Capacity**

Capacity (as certified by a director)

		<b>YEAR ENDED 31.03.11</b>	<b>YEAR ENDED 31.03.10</b>
Licenced Capacity		NA	NA
Installed Capacity	MT	58,350	45,750
Production (including Outside Jobwork)	MT	35,942	39,192

**b) Stocks, Turnover, Production, Etc.**

	<b>YEAR ENDED 31.03.11</b>		<b>YEAR ENDED 31.03.10</b>	
	<b>Qty Sq. Feet</b>	<b>(Rs. in lacs)</b>	<b>Qty Sq. Feet</b>	<b>(Rs. in lacs)</b>
Opening Stock				
Marble	2,290,260	4,504.31	1,782,873	2,974.62
Others	Varied	740.42	Varied	6.74
Production-Marble	7,188,328		6,662,575	
Turnover				
Marble	6,257,282	14,203.69	6,155,188	12,539.10
Others	Varied	2.52	Varied	681.29
Closing Stock				
Marble	3,221,306	6,496.33	2,290,260	4,504.31
Others	Varied	4.43	Varied	740.42

**c) Raw Materials Consumption**

Block - MT	13,431	3,116.24	10,899	2,124.15
Marble Slabs - Sq Mtr	224,371	5,667.08	484,979	10,380.55

**d) Raw Materials Consumption**

Indigenous			
- Value	5,568.92		9,473.67
- Percentage	63.40		75.76
Imported			
- Value in Rupees	3,214.40		3,031.03
- Percentage	36.60		24.24

**e) Stores and Spares**

Indigenous		
- Value in Rupees	335.80	223.39

- Percentage	99.21	96.25
Imported		
- Value in Rupees	2.67	8.71
- Percentage	0.79	3.75
<b>f)</b> Value of imports on CIF basis		
- Materials	2,175.73	2,187.04
- Stores and Spares	2.67	6.98
	<b>YEAR ENDED 31.03.11</b>	<b>YEAR ENDED 31.03.10</b>
	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>
<b>g)</b> Expenditure in foreign currency		
- Travelling	17.83	21.00
- Interest on Buyer's Credit	9.79	3.89
<b>h)</b> Earnings in foreign exchange		
- FOB Value of Exports	NIL	NIL
<b>19)</b> Figures of previous year have been regrouped and reclassified wherever necessary to make them comparable.		
<b>20)</b> Due to social unrest and sporadic violence, the mines development process in Orissa disrupted during the year .		
<b>21)</b> 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, recognised as expense for the year are as under:

	<b>2010-11</b>	<b>2009-10</b>
	<b>(RS.)</b>	<b>(RS.)</b>
Employer's Contribution to Provident Fund	414,077	317,285
Employer's Contribution to Pension Scheme	913,228	720,517

**Defined Benefit Plan**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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.

	<b>31.03.11</b>	<b>31.03.10</b>
<b>Change in present value of obligation</b>		
<b>(reconciliation of opening and closing balances of defined benefits obligation)</b>		
a. Present value of obligation as at the beginning of the period 01.04.10	1,490,583	585,632
b. Acquisition adjustment	-	-
c. Interest cost	119,247	43,922
d. Past service cost	-	-
e. Current service cost	525,711	416,307
f. Curtailment cost / (Credit)	-	-
g. Settlement cost / (Credit)	-	-
h. Benefits paid	(90,000)	(37,059)
i. Actuarial (gain) / loss on obligation	72,246	481,781
j. Present value of obligation as at the end of the period 31.03.11	2,117,787	1,490,583
<b>Change in present value of plan assets</b>		
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	(2,117,787)	(1,490,583)
i.	Excess of actual over estimated return on plan assets	-	-

**Actuarial gain / (loss) recognized**

a.	Actuarial gain / (loss) for the period obligation	(72,246)	(481,781)
b.	Actuarial gain / (loss) for the period plan assets	-	-
c.	Total gain / (loss) for the period	72,246	481,781
d.	Actuarial gain / (loss) recognized in the period	72,246	481,781
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	2,117,787	1,490,583
b.	Fair value of plan assets as at the end of the period	-	-
c.	Funded status	(2,117,787)	(1,490,583)
d.	Excess of actual over estimated	-	-
e.	Unrecognized actuarial (gains) / losses	-	-
f.	Net assets / (liability) recognized in balance sheet	(2,117,787)	(1,490,583)

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

a.	Current service cost	525,711	416,307
b.	Past Service cost	-	-
c.	Interest cost	119,247	43,922
d.	Expected return on plan assets	-	-
e.	Curtailment cost / (Credit)	-	-
f.	Settlement cost / (Credit)	-	-
g.	Net actuarial (gain) / loss recognized in the period	72,246	481,781
h.	Expenses recognized in the statement of profit & losses	717,204	942,010

**31.03.11**      31.03.10**Actuarial Assumptions**

1	Mortality Table	1994-96 Duly Modified	1994-96 Duly Modified
2	Discount Rate	8.00%	7.50%
3	Expected Rate of return on plan assets	0.00%	0.00%
4	Future salary increase	5.50%	5.00%

**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  
date.

As per our report of even

For MEHRA WADHWA & CO  
Chartered Accountants**Rajesh Punia**  
**DIN00010289****Savita Punia**  
**DIN00010311****Hari Singh Bisht**  
**FCS5409**



**Managing Director**NEW DELHI  
MAY 30, 2011**Director****Company Secretary**ROHIT WADHWA, F.C.A.,  
Partner  
M. No. 83100

**ORIENTAL TRIMEX LIMITED**  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.	78339
State Code	55
Balance Sheet Date	31.03.11

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

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

**III. Position of Mobilisation & Deployment of Funds (Rs in 000's)**

<b>Total Liabilities</b>	1,302,406	<b>Total Assets</b>	1,302,406
<u>Sources of Funds</u>		<u>Application of Funds</u>	
Paid Capital	148,152	Net Fixed Assets	399,882
Reserves & Surplus	477,485	Net Current assets	881,725
Deferred Tax Liability	22,380	Misc. Expenditure	20,799
Secured Loans	650,652		
Unsecured Loans	3,737		

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

Turnover	1,439,228
Total Expenditure	1,392,431
Profit/(Loss) before tax	46,797
Profit/(Loss) after tax	30,345
Earnings per share (Rs.)	2.05
Dividend rate (%)	-

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

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

For and on behalf of the Board

As per our report of even date.

**Rajesh Punia**  
**DIN00010289**  
**Managing Director**

**Savita Punia**  
**DIN00010311**  
**Director**

**Hari Singh Bisht**  
**FCS5409**  
**Company Secretary**

For MEHRA WADHWA & CO.  
Chartered Accountants

NEW DELHI  
MAY 30, 2011

ROHIT WADHWA, F.C.A.,  
Partner  
M. No. 83100

**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 15<sup>th</sup> **ANNUAL GENERAL MEETING** of the above named Company held on Wednesday, the 28<sup>th</sup> September, 2011 at 09.30 A.M. at Surya Garden, Palla Bhaktawarpur Road, Village Alipur, Delhi-36.

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 TRIMEX LIMITED hereby appoint .....of  
.....or failing him .....

of.....as my/our proxy to vote for me/us and on  
my/our behalf at the 15th Annual General Meeting to be held on Wednesday, the 28th September,  
2011 at 09.30 A.M. at Surya Garden, Palla Bhaktawarpur Road, Village Alipur, Delhi-36.

Affix Re. 1 Revenue Stamp
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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.

# UNDER POST COVER (UPC)

If undelivered, kindly return to:  
Oriental Trimex Limited  
(Secretarial Department)  
26/25, Bazar Marg, Old Rajinder Nagar  
New Delhi-110060