

**OMAX**

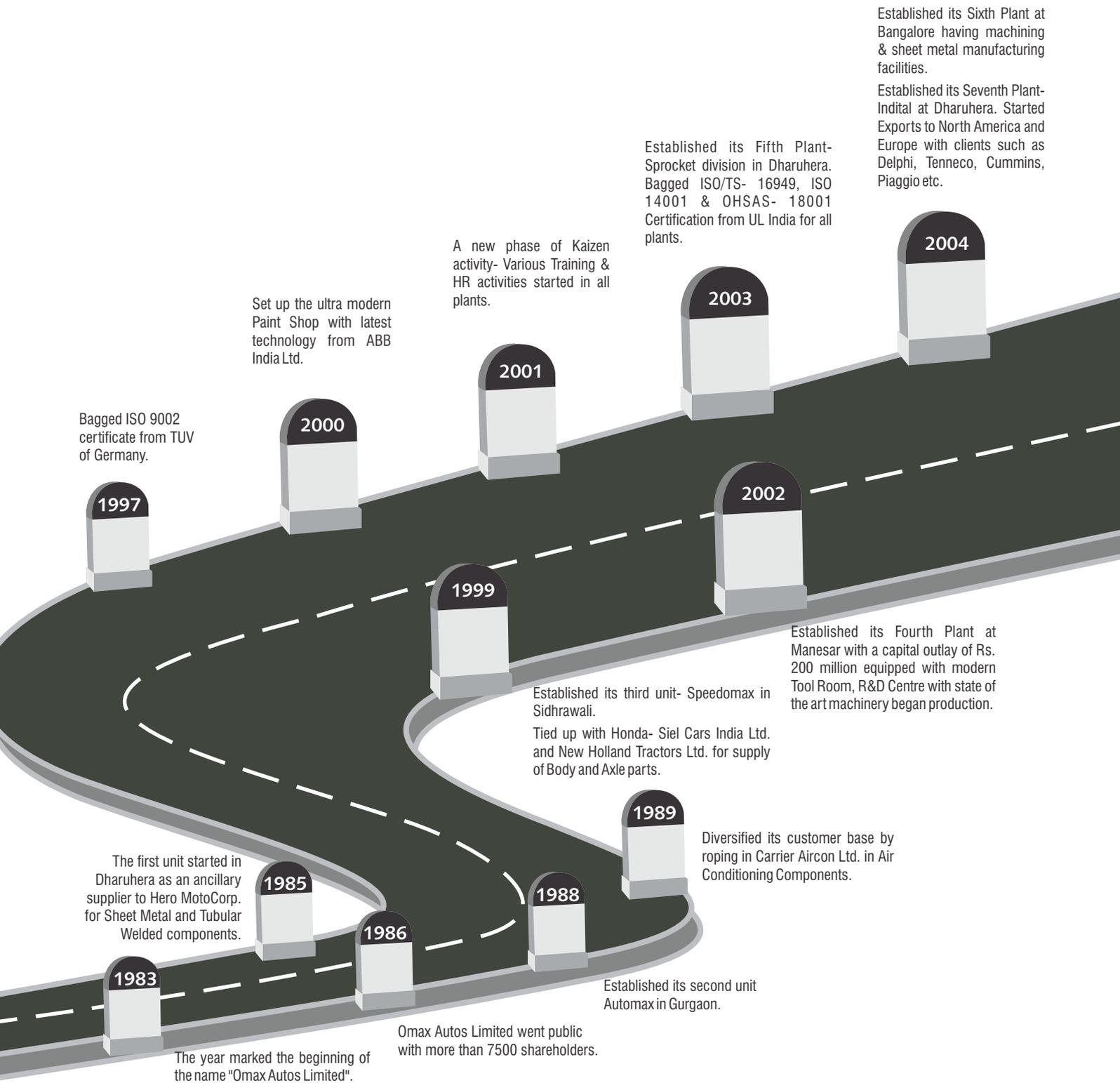
Passionate about Performance

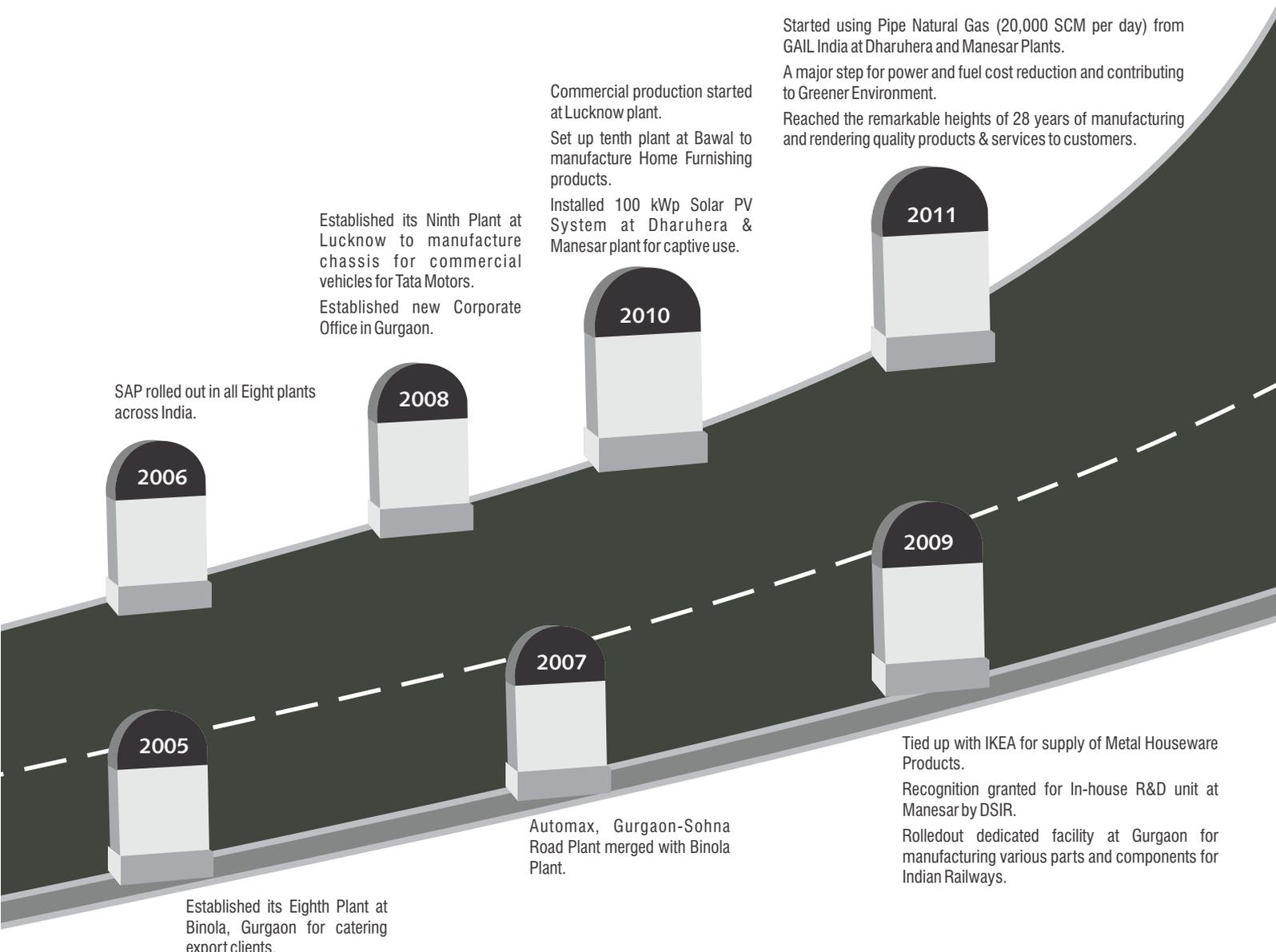
**OMAX AUTOS LIMITED**



28th Annual Report  
**2010-2011**

# Milestones





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## Chairman Emeritus:

Dr. Brijmohan Lall Munjal

## Board of Directors

Mr. Suresh Mathur	Chairman
Dr. Ramesh Chandra Vaish	Director
Dr. Triloki Nath Kapoor	Director
Mr. Salil Bhandari	Director
Mr. Verinder Kumar Chhabra	Director
Mr. Atul Raheja	Director
Mr. Lalit Bhasin	Director
Mr. Krishan Chand Chawla	Whole Time Director
Mr. Jatender Kumar Mehta	Managing Director
Mr. Ravinder Mehta	Managing Director

## Audit Committee

Dr. Ramesh Chandra Vaish	Chairman
Dr. Triloki Nath Kapoor	Member
Mr. Atul Raheja	Member
Mr. Verinder Kumar Chhabra	Member
Mr. Salil Bhandari	Member
Mr. Jatender Kumar Mehta	Member

## Auditors

M/s A. Kumar Gupta & Co.,  
Chartered Accountants

## Internal Auditors

M/s KRA & Associates  
Chartered Accountants

M/s Singhi Chugh & Kumar  
Chartered Accountants

M/s Doogar & Associates  
Chartered Accountants

## Secretarial Auditors

M/s Chandrasekaran Associates,  
Company Secretaries

## Senior Management Executives

Mr. P.K. Bansal	President & CFO
Mr. Naresh Chand Kaushik	President & CEO (Two Wheeler)
Mr. Manoj Mishra	President & CEO (Passenger Car)
Mr. Kishor Karnataki	President & CEO (Commercial Vehicle)
Mr. J.C. Jhuraney	Chief Executive (Corporate HR)
Mr. N.P. Singh	Executive Director (Railway Division)

**Corporate Office:**

Plot No. B-26, Institutional Area,  
Sector 32, Gurgaon (Haryana) - 122001

**Registered Office & Dharuhera Plant:**

Omax Autos Limited  
69 K.M.Stone, Delhi Jaipur Highway,  
Dharuhera, Distt. Rewari (Haryana)- 122106

**Bangalore Plant**

Omax Autos Limited  
Plot No. 6, Bomassandra- Jigani Link Road  
Bomassandra, Bangalore (Karnataka)- 560099

**Binola Plant**

Automax (A unit of Omax Autos Limited)  
Delhi- Jaipur Highway, Village & P.O Binola  
Gurgaon (Haryana)- 123413

**Dharuhera Plant II**

Indital (A unit of Omax Autos Limited)  
69 K.M.Stone, Delhi Jaipur Highway,  
Dharuhera, Distt. Rewari (Haryana)- 122106

**Manesar Plant**

Omax Autos Limited  
Plot No. 6, Sector- 3, IMT Manesar  
Gurgaon (Haryana)- 122050

**Sidhrawali Plant**

Speedomax (A unit of Omax Autos Limited)  
64 K.M.Stone, Delhi- Jaipur Highway,  
Village Sidhrawali, Gurgaon (Haryana)-123413

**Dharuhera Plant III**

Omax Autos Limited- Sprocket Division  
69 K.M. stone, Delhi -Jaipur Highway,  
Dharuhera, Distt. Rewari (Haryana)-122106

**Lucknow Plant**

Omax Autos Limited  
Tata Motors Vendor Park, Chinhat Industrial Area,  
Deva Road, Lucknow (U.P.)-226019

**Bawal Plant**

Omax Autos Limited  
(Home Furnishing division)  
Plot No. 2, Sector-5, Bawal, Distt. Rewari,  
Haryana-123501

**Railway Division**

Omax Autos Limited - Railway Division  
1 KM, Piyala Road, Village- Sikri,  
Distt. Faridabad (Haryana)-121004,

**Registrar & Share Transfer Agent**

M/s Link Intime India Private Limited  
(Formerly M/s Intime Spectrum Registry Limited)  
A-40, 2nd Floor, Naraina Industrial Area, Phase-II,  
Near Batra Banquet Hall,  
New Delhi- 110028  
Tel. No. +91-11-41410592-94  
Fax: +91-11-41410591  
E-mail: delhi@linkintime.co.in

**Bankers**

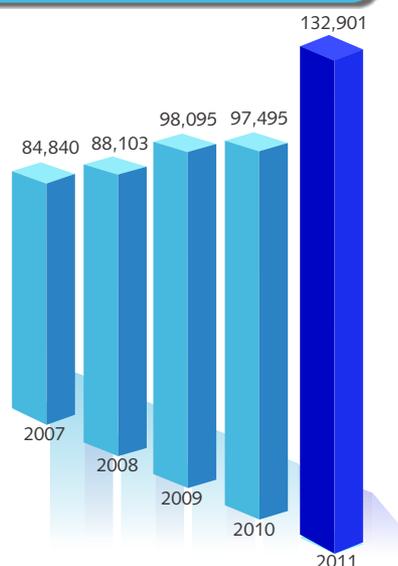
Canara Bank	United Bank of India
Citi Bank N.A.	HDFC Bank Limited
Royal Bank of Scotland N.V.	ICICI Bank Limited
Deutsche Bank	The Hongkong & Shanghai
Yes Bank Limited	Banking Corporation Limited
Kotak Mahendra Bank Limited	Standard Chartered Bank
Tata Capital Limited	DBS Bank Limited
State Bank of India	IndusInd Bank Ltd.

## Financial Performance

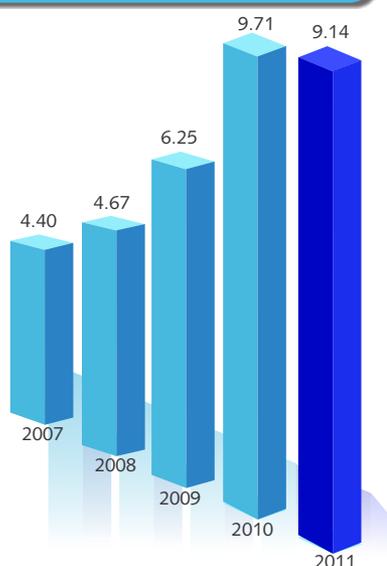
Rupees in Lacs

Year ended	March 2007	March 2008	March 2009	March 2010	March 2011
Gross Sales & Other Income	84,840	88,103	98,095	97,495	132,901
Net Sales & Other Income	69,944	73,044	83,435	87,558	117,222
Export Sales	3,076	3,408	5,266	8,500	10,711
Gross Profit (PBITD)	7,710	7,367	7,991	7,789	8,943
Net Profit (PAT)	2,366	1,584	543	1,430	2,143
Net Worth	13,333	14,567	14,561	16,139	17,878
Capital Employed	20,262	24,578	30,962	30,687	34,983
Fixed Assets (Net block)	26,804	31,769	33,390	35,422	33,523

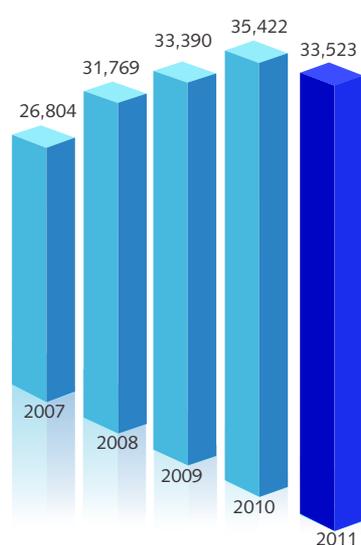
GROSS SALES & OTHER INCOME



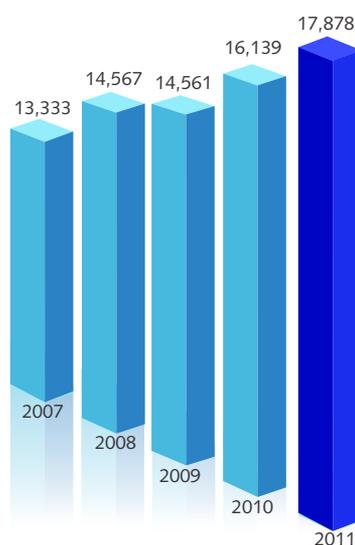
EXPORT SALES/NET SALES (%)



FIXED ASSETS (NET BLOCK)



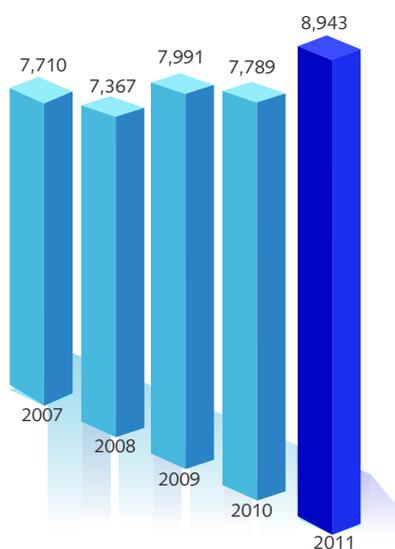
NET WORTH



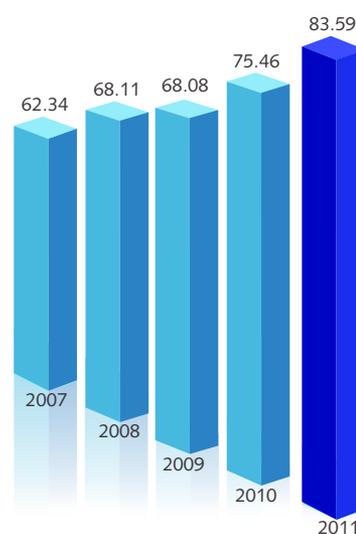
## Key Indicators

Year ended	March 2007	March 2008	March 2009	March 2010	March 2011
Gross Profit Margin (%)	11.02	10.09	9.62	8.90	7.63
Net Profit Margin (%)	3.38	2.17	0.65	1.63	1.83
Export Sales/Net Sales (%)	4.40	4.67	6.25	9.71	9.14
Debt/Equity	0.52	0.69	1.13	0.90	0.96
Earning Per Share (Rs)	12.17	7.53	3.17	6.64	9.95
Dividend Per Share (Rs)	2.25	1.50	1.00	1.50	2.00
Book Value Per Share (Rs)	62.34	68.11	68.08	75.46	83.59

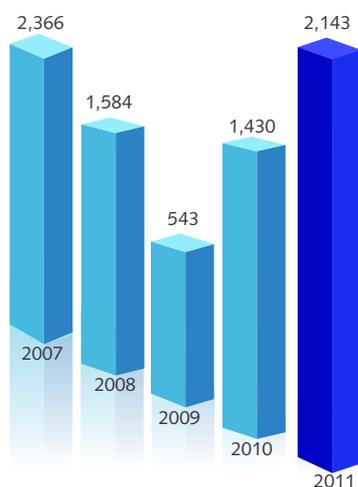
### GROSS PROFIT



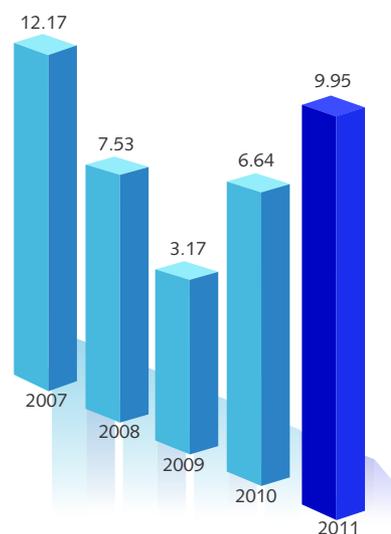
### BOOK VALUE PER SHARE



### NET PROFIT



### EARNING PER SHARE



# Corporate Profile

Omax Autos Limited was incorporated in 1983 with a vision to emerge as a niche player in Auto Industry and has grown exponentially into truly diversified and globalised corporate entity since incorporation. In the last Twenty-Eight years of its existence, the Omax Autos Group has created and executed projects that were a part to touch every walk of life and human endeavor, while setting new benchmarks in quality. Today the Company enjoys a Gross Turnover Rs. 1,313.61 crores, spanning its horizon and providing fulfilled management. The group enjoys huge reserves of goodwill that has led to some of the biggest names in the corporate world putting their trust in us and constantly strives to provide products and services that enhance the quality of life and work, and to address a gamut of human needs.

OMAX Autos Ltd is primarily in the business of manufacturing auto components. Omax is one of the largest manufacturers of Sheet Metal parts, Machined, Tubular, Electroplated & Painted components, Welding Facilities with integrated world-class assembly lines.

With growing opportunities & enhanced experience base, Omax has strengthened horizontally. In the last 28 years the company has widened its customer base and products by entering into 4-wheeler industry, producing for Indian Railways and producing home accessories apart from 2-wheeler industry. At present Omax is not only in domestic market, but have achieved break through globally through IKEA, TENNECO, PIAGGIO & TOYOTA.

Though the Company has moved towards new frontiers in the last 28 successful years, yet it nourishes old relationships with undying passion and perseverance. With 10 plants as facilities, a strong infrastructure base and enlightened human resource we have reached the new horizons of success.

Through continuous and aggressive strategy building and disciplined execution of the same it has been possible to attain high level of growth and experience. The key features of the strategy are –

- a) To make major improvements towards customers' satisfaction.
- b) To develop a competitive edge - to optimize its cost and move up in value chain.
- c) To progress through a strong base laid on in depth research and development.

The Company has also made significant major changes namely –

- Exploring projects in Hydro, Solar & Wind as Renewable Source of Energy and have:
  - a) Successfully commissioned 100 kWp Capacity Solar Roof Top Photovoltaic System at Manesar and Dharuhera plants for captive use.
  - b) Started using Pipe Natural Gas (20,000 SCM per day) from GAIL India at Dharuhera and Manesar plants.
  - c) A major step for Power and Fuel cost reduction & contributing to Greener Environment.
- Successfully running commercial production of Chassis of Commercial vehicles for TATA Motors Limited at Lucknow plant.
- Shifted Railway division from Gurgaon to Faridabad to enhance Capacity for manufacturing parts and components to Indian Railways.
- Successfully commenced commercial production at Bawal plant to Manufacture Home Furnishing Stainless Steel products.

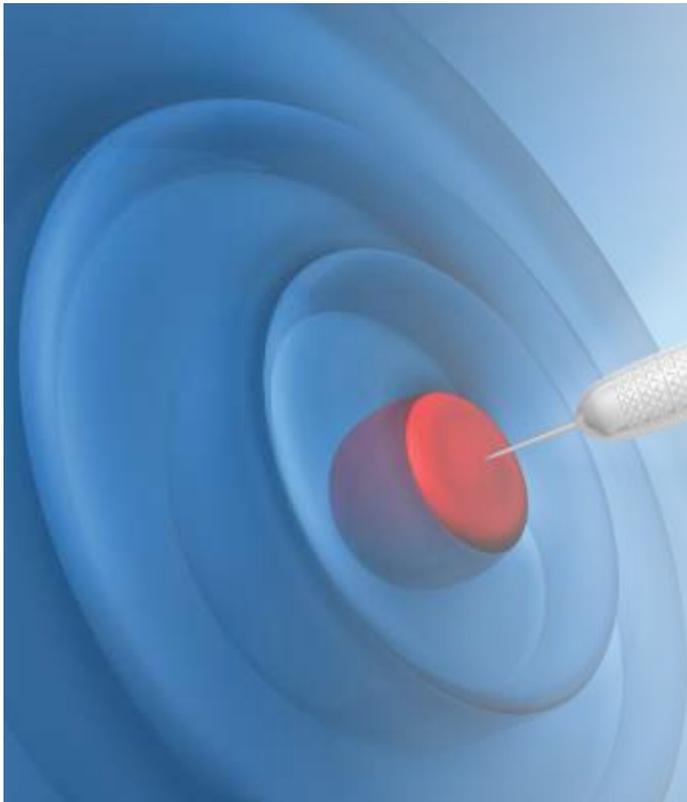
Many initiatives have also been initiated last year like DNA change & Operational Excellence (OPEX) :

- DNA Change is a concept of building positive environment through collaborative processes in the different teams to develop new ideas, enhancing their engagement and interaction for the growth of the organization.
- OPEX is "A Journey towards Excellence in Customer Satisfaction, Employee Involvement & Business Results".

# Corporate Social Responsibility



- Solar Power Plants installation
- Waste heat recovery
- Energy conservation through LED, PNG usage
- Plantations
- Blood donation camps
- Health Check-up



## Vision

"Highly customer oriented, humane and system run global organisation with a concern for society"

## Mission

"We are a dedicated, proactive, loyal & accountable group of people with a quest for excellence through latest technology, people empowerment and brand equity to produce world class products by adopting best business practices and ethics."

## IMS Policy

"In line with our Vision & Mission, we remain committed for total satisfaction of our customers, associates and society at large, through excellence in quality, value for money, on time deliveries and continual improvement. While achieving this, we remain committed to comply with legal and other requirements relating to Environment, Health & Safety for prevention of pollution, ill-health & injury".

## Core Values

• Human Dignity • Honesty • Commitment • Sincerity

## Aspirations

*To build a world class Company through reliability and be a great place to work.*

*Our vision is to make our Company the best in class in whatever we do, globally. The products and services we offer should be comparable to the best in the world, our business process and systems should set benchmark for others. We should earn the respect of our competitors and be loved by our stakeholders.*

*Our Company should be the most preferred company to work for, for any employee. He should feel like a owner, be able to live his dream, fulfill all his professional goals and enjoy while doing so.*



# Our Strength-Our Employees

"The quality of an organization can never exceed the quality of the minds that make it up".

The way a team plays as a whole determines its success. There may be a bunch of individual stars in the sky, but only when put together that it forms a constellation worth a dime.

Omax, as an organization, meets the talent and organizational needs of the widening global corporates by pooling in new talent group, nurturing employees and managing employee relationships. The steps involved in achieving these targets are as follows:

## RECRUITMENT AND TRAINING

We recruit individuals with adequate knowledge and a passion to excel in business based not only on academic excellence but also on a proactive approach.

We have always believed that a sustained focus on technology, systems and human resources, holds the key to success. Therefore, at Omax, training needs are identified periodically for various levels and all the new technical recruits are trained in technical training center on welding, pressing machining and other technical fields and then placed in the concerned departments.

## EMPLOYEE ENHANCEMENT THROUGH INVOLVEMENT

The Company encourages employees' feedback for enhancing improvement in process and aligning employee goals with business objectives. It helps in building mutual trust and foster teamwork. At workman level, for example, expansion of canteen facilities with better services, safe working environment were some of the initiatives taken during the year.

A series of initiatives were taken up at each location to improve employee engagement. These includes communications, DNA change, team building and creation of cross-functional teams to enhance job content, work environment and employee empowerment.

## EMPLOYEE MOTIVATION

We motivate our employees by awarding them with various awards like long-term awards, attendance awards, customer representative winner award. Various recreational activities are conducted for employees and their families, birthday greetings are sent across to the employees, a quarterly magazine is published for and by employees to encourage their creativity and to share their personal and academic excellence which acts as value addition for the company named as Omax Autos Limited "Infomax". This helps in promoting the feeling of oneness.

## HR MISSION

"To promote and sustain the culture of developing world class leaders for value addition in every sphere of original activities while fulfilling employees professional and personal satisfaction."





- Amongst top three companies in Automotive Stamping and two wheeler & Commercial vehicle Chassis manufacturing- (Process 85k Tons Steel pa)
- Largest Sprocket manufacturing capacity (11 Million PA) in South East Asia.
- Largest Tri Nickel Chrome Plating facility (120 Million DM<sup>3</sup>)
- Largest & full spectrum welding facility in India with robots & 800 MIG welding sets (100 Km welding capacity per day)
- Largest consolidated Piston Rod manufacturing facility with super finishing capability catering to Europe & United States.

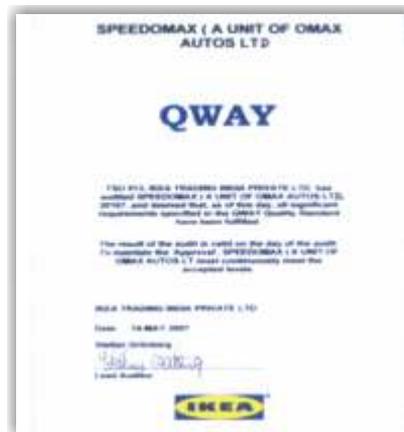
## ONE STOP SOLUTION:

- Designing
- Automotive Stampings
- Two Wheel & Commercial Vehicle Chassis manufacturing
- Machined Parts – Sprockets/ Piston Rods/ Oil Pumps/ Transmission Shafts
- Full spectrum welding process- Robotic MIG, spot and friction
- Painting & Tri Nickel Chrome Painting
- Supporting infrastructure – Tool Room/ NABL Acc. Met Labs/ Standard Room etc.

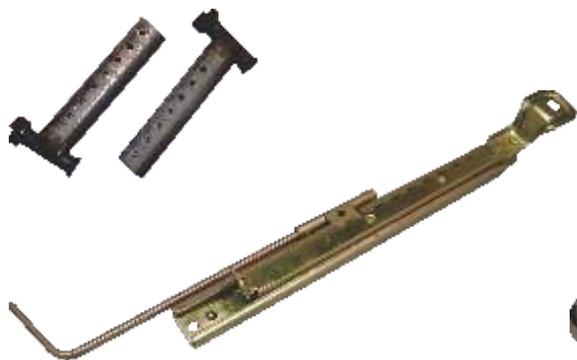




Tata Motors National Delivery Excellence Award Presented to Mr. Mehta For 2010-11



- CHASSIS FRAME ASSEMBLY
- CROSS MEMBERS, PANNEL ASSEMBLIES
- BODY FRAME
- MUFFLERS
- FRONT AXLES
- PISTON RODS FOR SHOCKS AND STURTS
- SEAT PARTS
- CHAIN CASES
- GEAR SHAFTS, SPROCKETS
- ROCKER ARM SHAFTS
- OIL PUMP ASSEMBLIES
- STEERING SHAFT
- AXLE SHAFT
- FRONT FORK





**Jatender Kumar Mehta**  
Managing Director

*Dear Shareholders,*

It really gives me great pleasure to interface with you once again, having completed another eventful year 2010-11, eventful both for the nation and for your company. Being a positive year for the economic and social landscape of the country. Your Company continued its journey of progress with a sense of purpose and direction and it has crossed a significant benchmark of INR 10 Billion (Rs.1,000 Crore) in terms of Turnover.

Indian economy continued on the recovery path with a broad based growth spread across various sectors. GDP growth has been higher at 8.5% in 2010-11 as compared to 8.0% registered during 2009-10. The Growth was particularly aided by agriculture sector growing at 6.6% (0.4% last year), while industry and services sector rose by 7.8% and 9.4% respectively. However, continuing high inflation level has been a cause of concern with wholesale price index (WPI) inflation continuing at an elevated level of 8.66% in April 2011. Reserve Bank in its Annual Policy 2011-12 has estimated WPI inflation at 6% with an upward bias for the end March 2012.

The Government has targeted a GDP growth rate of 9% in 2011-12 and with conscious efforts to support it through the Union Budget. An allocation of Rs. 214,000 crore (US\$ 46.5 billion) for infrastructure in 2011-12 reflects an increase of 23.3% over 2010-11.

Automobile Industry reported a decent growth of 26.61% in sales in 2010-11 as compared to 2009-10 including exports. Total vehicle sales including export in 2010-11 was 1,78,52,489 units as compared to 1,40,99,823 units during 2009-10.

Domestic vehicle sales grew by 26.17% in 2010-11 as compared to 2009-10. According to the figure released by SIAM, total vehicle sales in India in the year 2010-11 was 1,55,13,156 units as compared to 1,22,95,397 units during 2009-10.

The Indian Automobile components industry has come a long way since the country's economic liberalization which opened up the sector in the early 1990s. From a quiet supplier of low-value components to the domestic aftermarket, the industry has transformed itself into a global hub for sourcing a range of high-value and critical automobile components. The Industry is the darling of many global auto markets such as GM, Toyota, Ford, Volkswagen, etc., who source auto components worth millions from India. As per report from Industry body Automotive Component Manufacturers Association of India (ACMA), turnover of the auto component industry is about USD 26 billion in 2010-11, up 18% from USD 22 billion in 2009-10. ACMA report reveals that the Indian auto component industry is expected to achieve an



annual turnover of USD 110 billion by 2020, for which a total investment of USD 35 billion is likely to be made. According to a report jointly prepared by ACMA and consultancy firm Ernst & Young, the industry is expected to contribute 3.6% of India's GDP by 2020 from the current level of 2.1%. Auto Component exports are expected to grow to USD 30 billion by 2020. India's share in the global auto components market is expected to rise from 0.9% in 2008-09 to 2.5% in 2015.

The Gross sales and other Income of the Company for the year under review has increased to Rs. 1329.01 Crore as compared to Rs. 974.95 Crore in the previous financial year, registering a whopping growth of 36.32% on an annualized basis. The Profit before interest, depreciation and tax (PBITD) of the Company increased to Rs. 89.43 Crore during the year under review as compared to Rs. 77.88 Crore in the previous financial year registering an increase of 14.83% on an annualized basis. During the year under review, Profit before tax and exceptional income increased to Rs. 26.21 Crore from Rs. 16.36 Crore in the previous financial year registering an increase of 60.18% on an annualized basis. Net profit after tax (PAT) during the year under review increased to Rs. 21.43 Crore as compared to Rs. 14.30 Crore during the previous financial year registering an increase of 49.82% on an annualized basis.

The Company's transition from being domestic centric organisation to become a global supplier of Home furnishing products is reflecting our de-risking strategy. This has helped us to improve our competitive strategy, significantly expand our business risks and enhance our strategic position in the Industry overall. With expansion and moving up of value chain in terms of our products, we are further continuing our endeavour to follow our goals. Further, to meet the growing demands of our customers, the company is augmenting capacity in existing lines as also making further investment in capacity and automation.

Our quest for increasing value for all our Stakeholders, by taking initiatives in the various areas of operations, technology, product and customer development, human resource would be our hall mark of our journey forward. We have always believed in transforming with the changing times, with a proactive approach towards growing faster than the markets. We believe in building trust by creating values for our stakeholders. We will always follow value creating Growth. We value your trust in us and thank you for your support.

**Jatender Kumar Mehta**  
(Managing Director)

# Our Major Customers

Hero MotoCorp Ltd.

Maruti Udyog Ltd. (Suzuki J.V.)

Honda Motorcycle & Scooters India Pvt. Ltd.

Honda Siel Cars India Ltd.

TVS Motors Ltd.

Suzuki Motorcycle Ltd.

New Holland Tractors (India) Pvt. Ltd.

Yamaha Motors India Pvt. Ltd.

International Tractor Ltd.

Delphi Automotives

Denso India Ltd.

Indian Railways

Tata Motors Limited

Ashok Leyland Limited

IKEA

Notice is hereby given that the **TWENTY EIGHTH** Annual General Meeting of the Members of **OMAX AUTOS LIMITED** will be held on Friday, the 30th day of September 2011 at 11.00 AM at the Registered Office of the Company at 69 Km. Stone, Delhi Jaipur Highway, Dharuhera, Distt. Rewari, Haryana-122106 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and Profit & Loss Account for the year ended on that date together with the reports of Auditors and Directors thereon.
2. To declare dividend for the financial year ended 31st March 2011.
3. To appoint a Director in place of Mr. Atul Raheja, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Krishan Chand Chawla, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Salil Bhandari, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Statutory Auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration and in this connection the following resolution may be passed as an Ordinary Resolution:

**"RESOLVED THAT** M/s. A. Kumar Gupta & Co., Chartered Accountants, (Firm Registration No. 000182N), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

#### **RE-APPOINTMENT OF MR. KRISHAN CHAND CHAWLA AS WHOLE TIME DIRECTOR OF THE COMPANY**

**"RESOLVED THAT** pursuant to Section 198, 269, 309, Schedule XIII and other relevant provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and relevant provisions of Article of Association of the Company, Mr. Krishan Chand Chawla, Whole Time Director of the Company be and is hereby

re-appointed as Whole Time Director of the Company for a period of 3 years w.e.f. 19th Day of September 2011 till 18th Day of September 2014 on the terms and conditions as set out below:

1. Salary	In the scale of Rs. 144000 to 188000 per month.
2. Perquisites	Perquisites of any kind at actual which shall not exceed the overall limit of 250% of the Annual Salary.  In the absence of actual valuation of the perquisites the same will be calculated in terms of Income Tax Act, 1961.
3. Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the Computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.  Earned Leave: On full pay and allowances as per the rules of the company but not exceeding one month's leave for every eleven months of service. Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.  Provision of a Car with Driver for use on Company's business and telephone at the residence and mobile phone will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the company.	

**RESOLVED FURTHER THAT** Board of Directors be and is hereby authorized to fix the remuneration of Mr. Krishan Chand Chawla, Whole Time Director of the Company within the limit prescribed above.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, in the event of loss or inadequacy of profits in any financial year, Mr. Krishan Chand Chawla, Whole Time Director shall be entitled to minimum remuneration comprising of aforesaid salary, perquisites and other allowances subject to necessary approvals.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds or things, as may be necessary to give effect to this resolution and other matters incidental thereto and execute all such documents, instruments and writings as may be required or otherwise considered necessary by the Board in the best interest of the company as it may deem fit."

8. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as a Special Resolution:

## **PAYMENT OF COMMISSION TO NON-EXECUTIVE DIRECTORS OF THE COMPANY**

"**RESOLVED THAT** pursuant to the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 and Clause 49 of Listing Agreement (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and relevant provisions of Article of Association of the Company, and in supersession of all the earlier resolution passed in this regard, approval of the Company be and is hereby accorded to pay to its Non-Executive Directors (Other than Managing Directors and Whole Time Director of the Company), such sum by way of commission and in such manner as the Board of Directors may from time to time determine, not exceeding 1% (one percent) of net profit of the Company in any financial year computed in the manner as provided in Section 349 and 350 of the Companies Act, 1956, for a period of 5 years commencing from 01st Day of April 2011.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to determine the sum to be paid by way of commission to the individual Non- Executive Director of the Company within the overall limit of 1% (one percent) of net profit of the Company in any financial year computed in the manner as provided in Section 349 and 350 of the Companies Act, 1956 and to do all such acts, deeds or things, as may be necessary to give effect to this resolution and other matters incidental thereto."

By order of the Board of Directors  
For **Omax Autos Limited**

Place: New Delhi  
Date: 6th August 2011

**Jatender Kumar Mehta**  
(Managing Director)

### **NOTES:**

- Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of Special Business as set out in the notice is annexed hereto.**
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, THE INSTRUMENT OF APPOINTING PROXIES SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

- Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 26th day of September 2011 to Friday, 30th September 2011 (both days inclusive).
- The dividend as recommended by the Board of Directors, if declared at the meeting will be paid/ credited/ dispatched between 5th day of October 2011 to 20th Day of October 2011.
  - To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the company by National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) as on 25th day of September 2011 after closing of business hours.
  - To all those shareholders holding shares in physical form after giving effect to all the valid share transfers lodged with the company / its Registrar and Transfer Agent on or before 25th day of September 2011 before closing of business hours.
- Members who have not encashed their dividend warrants may approach the company / its Registrar and Transfer Agent for claiming unclaimed dividend as the amount of dividend remaining unpaid or unclaimed for a period of seven years shall be transferred to Investor Education & Protection Fund (IEPF) as per the provisions of section 205A and 205C of the Companies Act, 1956. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie in respect thereof. Unclaimed Dividend Pursuant to Section 205A of the Companies Act, 1956 for the financial year 2002-03 has been transferred to the Investors Education and Protection fund established by the Central Government (IEPF) Pursuant to Section 205C of the Companies Act, 1956.

The last date for claiming the unpaid dividend in respect of last seven financial years is given below:-

<b>F.Y. Ended</b>	<b>Date of Declaration of Dividend</b>	<b>Last Date for Claim</b>
2003-04	30.11.2004	29.11.2011
2004-05	19.09.2005	18.09.2012
2005-06	26.09.2006	25.09.2013
2006-07	28.09.2007	27.09.2014
2007-08	30.09.2008	29.09.2015
2008-09	30.09.2009	29.09.2016
2009-10	30.09.2010	29.09.2017

7. Members are advised to avail the Electronic Clearing Service (ECS) facility for receipt of future dividends. The ECS facility is available at the specified locations. Members holding shares in dematerialized form are requested to contact their respective Depository participants (DPs) for availing ECS facility. Members holding shares in physical form and desirous of availing ECS facility are requested to write to Registrar & Transfer Agent of the company. A copy of ECS mandate form is enclosed in the end of this Report.
8. Pursuant to the provisions of Section 109A of the Companies Act, 1956, every shareholder or joint holders may nominate, in the prescribed manner, a person to whom all the rights in the shares vest in the event of the death of the sole holder or all joint holders. A nomination form is enclosed for shareholders holding shares in physical form. Members holding shares in electronic form may contact their respective depository participant for availing this facility.
9. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, change of address, change in name etc. to their depository participant (DP). Members holding shares in physical form are requested to intimate the above said changes to the company's Registrar & Transfer Agent.
10. Members are requested to send their queries, if any, at least 10 days in advance of the meeting, so that the information can be made available at the meeting.
11. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, between 11:00 a.m. and 1:00 p.m., upto the date of the ensuing Annual General Meeting.
12. In order to avoid fraudulent encashment of Dividend Warrant(s), members are advised to inform their Bank Account details like A/c no., name and address of the bank, for incorporating the same in Dividend Warrant.
13. Members/Proxies are required to bring their duly filled attendance slip in the meeting. Members holding the shares in electronic form are requested to bring their DP-ID Number and Client-ID Number for identification.
14. Members are requested to bring their copy of the Annual Report to the Meeting.
15. Members who have not got their shareholding dematerialized are advised in their own interest to get their Shares dematerialized.
16. As a part of Green Initiatives in the Corporate Governance, the Ministry of Corporate Affairs vide its Circular No. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively has clarified that a company would have complied with Section 53 of the Companies Act, 1956,

if the service of the document has been made through electronic mode, provided the company has obtained e-mail address of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholders to register their e-mail address and changes therein from time to time with the Company. Accordingly, the members are requested to intimate their e-mail address to the Company at the dedicated e-mail ID i.e., investors@omaxauto.com, in case the members wish to avail the aforesaid facility.

## ANNEXURE TO NOTICE

### DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance to clause 49 of the Listing Agreement)

Brief resume of the Directors seeking appointment/re-appointment in the Forthcoming Annual General Meeting

#### Mr. Atul Raheja

Mr. Atul Raheja, aged 47 years, is a young and dynamic industrialist. A qualified industrial engineer, Mr. Raheja, after graduating in 1988 and thereafter spending 2 years in the family business, set out his own flagship company to manufacture and market domestic appliances under the brand name "Lifelong". Mr. Raheja gained vast experience of the Chinese markets during this period. He later ventured into the field of auto components business and is running a company, which is now a leader in its product category. Mr. Raheja's company has also indulged into exports of auto components to North America and has developed good relations with certain big auto companies such as Hero MotoCorp., General Motors, Arvin Meritor, Plastic Omnium, etc. As a diversification to his business, Mr. Raheja has also ventured into Healthcare products, which today does an annual sale of \$ 15 Million. The current product range includes disposable syringes and related products. There will be periodic addition of products to take the Sales to \$ 250 Million by 2014.

Other Business interests: Mr. Raheja also owns three more companies, which are

- Shadionline.com, which is a wedding management company.
- Refam Securities, which is an investment company.
- Lifelong Finishing Academy, which is imparting Personality development training.

Mr. Atul Raheja joined the Company's Board w.e.f. July 2003. He is advising and supervising the export operations of the company and the company has derived immense benefits from his experience in the export segment.

He is presently serving on the Board of Lifelong India Ltd., Lifelong Meditech Ltd., Refam Securities Pvt. Ltd., Shaadionline Private Ltd., Creative Appliances Pvt. Ltd., Securitech Software Ltd., OAL Energy and Infrastructure Ltd., Lifelong Real Estate Pvt. Ltd., Life Finishing Academy Pvt. Ltd., Lifelong Descarpack Medical Devices Pvt. Ltd. and Omax Engineering Services Limited.

He is a member of Audit Committee and Project Committee of the Company.

Mr. Atul Raheja does not hold any equity shares in the Company. He is not related to any other director on the Board of the Company.

### **Mr. Kishan Chand Chawla**

Mr. Krishan Chand Chawla, aged 67 years, is a qualified Graduate Engineer from Punjab Engineering College, Chandigarh of 1968 Batch and has been associated with the company since 1985.

Mr. Chawla has special expertise in Business Process Re-engineering and areas like Lean Manufacturing, Kaizen and Process Improvements. Strategic Planning & Business Diversification specially into Renewable Energy like SOLAR, WIND & HYDRO has been his strengths.

He is passionate about Renewable Energy and Energy Conservation Activities and has contributed immensely in reducing the Power & Fuel Cost in the Group. His expertise for Waste Elimination & Resource Optimisation has helped in various Cost Saving Projects.

He has widely travelled around the Globe for visiting many facilities of World renowned Two Wheeler & Four Wheeler OEM's & attended many International Seminars & Exhibitions. His knowledge & experience has been used gainfully for further development of the company. He is also actively involved with Gurgaon Industrial Association, ACMA & CII Institutions by being active member of various Working Groups.

Mr. Chawla is on the Board of the Company since September 2005. With his strong power of converting thoughts in actions, he has been instrumental in the exceptional growth of the company. Mr. Chawla has been deeply involved in the operations of the company and has been instrumental in its path breaking growth.

He is not Director in any other company. He is a member of Shareholders'/ Investors' Grievance Committee and Executive Committee of the Company.

Mr. Krishan Chand Chawla does not hold any equity shares in the Company. He is not related to any other Director on the Board of the Company.

### **Mr. Salil Bhandari**

Mr. Salil Bhandari, aged 54 years, is a commerce graduate from Shri Ram College of Commerce and a fellow member of "The Institute of Chartered Accountants of India". Mr. Bhandari is on the Board of the company since August 1999. Being a Fellow Member of "The Institute of Chartered Accountants of India", Mr. Salil Bhandari has acquired a vast professional experience in the field of Financial Management.

Mr. Bhandari is a Practicing Management Consultant (partner of BGJC & Associates), specializing in matters related with strategic planning and implementation, change management, Corporate Governance and family succession.

Mr. Bhandari is closely involved with Industry in advising and assisting management about business strategies & corporate policies, Planning, turn around strategies & financial strategies, planning and management of resources etc.

He is the president of PHD Chamber of Commerce & Industry, an association of Business Community established way back in 1905 and also trustees of various trust established by the PHD Chamber of Commerce & Industry.

He is presently serving on the Board of Ginni International Ltd., BSL Ltd., Syenergy Environics Ltd., Bhilwara Energy Ltd., Ginni Global Ltd., Integrated Outsourcing Solutions Pvt. Ltd., Adishree Chemicals & Fertilizers Pvt. Ltd. and Spectrum Credit and Investment Co. Pvt. Ltd. and Omax Engineering Services Ltd.

He is a member of Audit Committee, Shareholders'/ Investors, Grievance and Project Committee of the Company. In addition to this he is also the Chairman of Audit Committee of BSL Ltd. Further, he is the member of Audit Committee of Ginni Global Ltd., and Bhilwara Energy Ltd.

He is the member of Shareholders'/ Investors' Grievance Committee of Ginni International Ltd. and also the member of Remuneration Committee of Ginni Global Ltd.

Apart from the above, he is serving on the governing Board/ Management Committee of various institutions including Indian Institute of Management, Indore, Society of Integrated Development of Himalyas etc.

Mr. Salil Bhandari holds 5670 equity shares of Rs. 10 each fully paid up in the Company. He is not related to any other director on the Board of the Company.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice dated 6th day of August 2011.

**Items no. 7: Re-appointment of Mr. Krishan Chand Chawla as Whole Time Director of the Company**

The Shareholders of the Company in their 25th Annual General Meeting held on 30th Day of September 2008 had re-appointed Mr. Krishan Chand Chawla as Whole Time Director of the Company for a period of 3 years w.e.f. 19th Day of September 2008. The term of Mr. Krishan Chand Chawla will expire on 18th Day of September 2011.

Mr. Krishan Chand Chawla is looking after day to day business activities of the Company and to have a better control over business affairs of the Company, there is a need to re-appoint Mr. Krishan Chand Chawla as Whole Time Director of the Company for a further period of 3 years.

As per the recommendation of the Remuneration Committee, the Board of Directors in their meeting held on 6th August 2011 has re-appointed Mr. Krishan Chand Chawla as Whole Time Director of the company for a further period of 3 years w.e.f. 19th Day of September 2011 at remuneration subject to the approval of the shareholders. The Board, therefore, recommends the Special Resolution set out at item no. 7 of the accompanying Notice for your approval.

Except Mr. Krishan Chand Chawla, no other Director is interested or concerned in this resolution. The Explanatory Statement as above, together with this Notice may be treated as an abstract of the terms of re-appointment of Mr. Krishan Chand Chawla as Whole Time Director of the Company under Section 302 of Companies Act, 1956.

**Items no. 8: Payment of commission to Non-Executive Directors of the Company**

The Shareholders of the Company, through Postal Ballot proceeding dated 16th September 2009 has accorded their consent to the Board of Directors of the Company to pay commission upto 1% (one percent) of the net profit of the

Company in each financial year computed in the manner as provided in Section 349 and 350 of the Companies Act, 1956 or upto Rs. 5,00,000/- per annum whichever is less to the Non-Executive Chairman of the Company.

In the current competitive business, role of Non-Executive Directors is changed. They required to take far more complex business decisions than before and are required to commit their time and provide expertise for the Company's business. Besides, with the more stringent Corporate Governance norms, the Board of Directors not only has to ensure compliance with various statutory requirements but also enhance the level and quality of Corporate Governance.

In view of the greater roles and responsibilities of Non-Executive Directors, there is a need to remunerate them suitably. It is accordingly proposed that in supersession of all the earlier resolution passed in this regard, Non-Executive Directors be paid commission not exceeding 1% of the Annual Net Profit of the Company computed in the manner as provided in Section 349 and 350 of the Companies Act, 1956, for a period of 5 years commencing from 1st Day of April 2011.

Approval of the Shareholders under Section 309 of the Companies Act, 1956 and Clause 49 of Listing Agreement is required for payment of commission, if any, to the Non-Executive Directors. The Board, therefore, recommends the Special Resolution as set out at item no. 8 of the accompanying Notice for your approval.

All the Non-Executive Directors of the Company may be deemed to be concerned or interested in the aforesaid Resolution to the extent of the commission that may be received by them.

By order of the Board of Directors  
For **Omax Autos Limited**

Place: New Delhi  
Date: 6th August 2011

**Jatender Kumar Mehta**  
(Managing Director)

# Directors' Report

Dear Shareholders,

Your Directors take immense pleasure in presenting the **TWENTY EIGHTH ANNUAL REPORT** together with Audited Statement of Accounts for the year ended 31st March, 2011.

## FINANCIAL RESULTS:

The summary of the financial performance of the company for the financial year ended March 31, 2011 as compared to the previous year is as below

Rs. in Lacs

Particulars	Current Year 2010-11	Previous Year 2009-10
Net Sales and other income	117221.75	87557.63
PBIDT	8943.19	7788.56
Less: Interest	3405.41	3231.92
PBDT	5537.78	4556.64
Less: Depreciation and Amortization	2916.50	2920.19
Profit before Tax and Exceptional Income	2621.28	1636.45
Add: Exceptional Income	531.68	407.27
Profit Before Tax	3152.96	2043.72
Less: Provision for Tax (including Deferred Tax)	1010.02	613.34
Net Profit After Tax (PAT)	2142.94	1430.38
Prior period Income + / (-)	(14.03)	(9.73)
Amount available for appropriation	2128.91	1420.65
Appropriations:		
Proposed dividend on equity shares	427.76	320.82
Dividend Distribution Tax	71.05	54.53
Transferred to General Reserve	200	400
Surplus carried to balance sheet	1430.10	645.30

## DIVIDEND

In view of the improved performance for the year under review, the Board is pleased to recommend a dividend of Rs. 2.00 per equity share i.e. 20% on face value of Rs. 10/- each, for the year ended 31st March 2011. The total cash outgo for this purpose would be Rs. 498.81 Lacs (previous year Rs. 375.35 Lacs), which includes Tax on Dividend amounting to Rs. 71.05 Lacs (Previous year Rs 54.53 Lacs).

## OPERATIONS AND FUTURE PROSPECTS OF THE COMPANY

The Net sales and other Income of the Company for the year under review has increased to Rs. 117221.75 Lacs as compared to Rs. 87557.63 Lacs in the previous financial year, registering a whopping growth of 33.87% on an annualized basis. The

Profit before interest, depreciation and tax (PBIDT) of the Company increased to Rs 8943.19 Lacs during the year under review as compared to Rs. 7788.56 Lacs in the previous financial year registering an increase of 14.82% on an annualized basis. During the year under review, Profit before tax and exceptional income increased to Rs. 2621.28 Lacs from Rs. 1636.45 Lacs in the previous financial year registering an increase of 60.18 % on an annualized basis. Net profit after tax (PAT) during the year under review increased to Rs 2142.94 Lacs as compared to Rs. 1430.38 Lacs during the previous financial year registering an increase of 49.82% on an annualized basis.

In the Financial year under review, your Company has crossed a significant benchmark of INR 10 Billion (Rs.1,000 Crore) in terms of Turnover. Factors which contributed towards achieving this benchmark include the following:-

- Significant increase in sales under commercial vehicle segment to Rs. 112.68 Crore during 2010-11 as compared to Rs. 8.24 Crore during the 2009-10 due to full scale commercial production at Lucknow Plant.
- Boom in auto sector (Sales to Hero MotoCorp Ltd. & their associates, our major customer increased to Rs. 712.11 Crore during 2010-11 as compared to Rs. 558.32 Crore during 2009-10.)
- Significant increase in sales under home furnishing segment of the Company to Rs. 96.57 Crore during 2010-11 as compared to Rs. 70.14 Crore during 2009-10.

## Projections and forecast

Domestic demand for automobiles will be the most important factor driving growth in the industry. The Company expects sales volume to grow during FY 2011-12 and management is very hopeful that your company will achieve a turnover of INR 13.50 billion (Rs.1350 Crore); it will be due to forecasted boom in auto sector, commercial operation of Lucknow plant at full strength and diversification decision of company management into the Indian Railways and Home Furnishings. Your Company also expects new orders in FY 2011-12. On the back of healthy demand outlook, Company expects to increase spending on capital expenditure activities.

## Two Wheelers

During the year 2010-11, this sector registered a significant growth of 26.82 % from 105.11 Lacs vehicles to 133.30 Lacs vehicles. The company's major customer M/s. Hero MotoCorp Ltd. was the front runner in terms of sale in two wheeler segment with more than 40 % market share in this segment.

For Omax, two wheeler segment contributed net sales of Rs. 829.16 Crore during 2010-11 as compared to Rs. 657.08 Crore during the previous year.

As two wheeler segment is our core business segment and more than 70% of the revenue of the Company comes from this segment, better forecast and growth projection for this

industry in coming years will result in better business and growth opportunity to us.

## Commercial Vehicles

In Auto Sector, Commercial vehicle segment recorded a robust growth of 30.28% during 2010-11 reported sales including export of 5.78 Lacs vehicles as compared to 7.53 Lacs vehicles in the previous year.

The Company's Lucknow Plant started its Commercial production in September 2009 and is engaged in the manufacture of Chassis for Medium & Heavy Commercial Motors Vehicles for Tata Motors Limited. During the financial year 2010-11, being the first full year of operation, your company has registered a decent growth and sales under this segment reached to Rs. 112.68 Crores.

As Tata Motors Limited is leader of Commercial Vehicle segment with more than 55% market share your Company is also expected to register decent growth in the year to come. Due to enormous opportunity under this segment, a second assembly line is being set up with an additional annual capacity of 30,000 frames with press shop improvement at Lucknow plant. Your Directors expects that after commencement of second assembly line at full capacity, the Company will attain the sales of more than Rs. 250 Crore per annum.

Your Company is also making continuous efforts to establish contacts with other commercial vehicle manufacturers for new business and expanding the product portfolio.

## Passenger Car Segment

During the year 2010-11, the passenger car segment registered a growth of more than 24% reported sales including export of 29.80 Lacs vehicles as compared to 23.97 Lacs vehicles in the previous year

The Net Sales of Your Company in this segment during the year 2010-11 was Rs. 56.91 Crore as compared to Rs. 55.62 Crore during the previous year.

As per ACMA report, the total passenger car production will jump four times to reach 9 million cars by 2020. To diversify the business portfolio and to participate in growth in this segment, your Company has planned to increase its focus on Passenger vehicle segment. For the coming financial year 2011-12, management is expecting to have turnover of approx. Rs. 75 Crore from this segment.

## Home Furnishing Business:

The Company is exporting various items to large international customers like IKEA, Target, GIMI etc. The Company has started the production in home furnishing segment in 2008-09. This business continued to grow for your Company. Under this segment, company is exporting its 100% production and not doing any domestic business.

At Omax, this segment reported total sales of Rs. 96.57 Crore in 2010-11 as compared to Rs. 70.14 Crore in 2009-10. The Company is in talks with various other international customers for business. The management is expecting Rs. 125 Crore revenue from this segment in financial year 2011-12.

## Railway Business:

The Company is manufacturing various parts and components for Indian Railways through its dedicated facilities at Faridabad plant. Omax is a registered supplier of Indian Railways. This segment reported total sales of Rs. 3.29 Crore in 2010-11 as compared to Rs. 1.16 Crore in 2009-10

Due to insufficient space at Behrampur, Gurgaon, the management has shifted the railway plant from Behrampur, Gurgaon to Sikri, Faridabad. The management has also decided to enhance the capacity for tapping the higher sales in this field.

The management is in talk with various new customer including DMW Patiala, ICF Chennai, SRT Thailand, CRPF etc. for business. The Company has also planned for manufacturing of new products in this segment from its new facility at Faridabad. After commencement of new facility at Faridabad in July 2011, the management is expecting total sales of more than Rs. 10 Crore from this segment in financial year 2011-12.

## Conservation of Energy, Technology Absorption, Foreign Exchange Outgo

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in "Annexure I" hereto and forms part of this report.

## Management Discussion and Analysis Report

In terms of clause 49 of listing agreement with the stock exchanges, Management Discussion and Analysis Report are provided separately in this Annual Report and forms part of this Report.

## Corporate Governance

Your Company believes that the great organizations are built on the foundation of good governance practices. Corporate governance is all about effective management of relationship among constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulators and the community at large. Your Company strongly believes that this relationship can be built & strengthened through corporate fairness, transparency and accountability. Your company places prime importance on reliable financial information, integrity, transparency, empowerment and compliance with the law in letter and spirit. Your company also takes proactive approach and revisits its governance and practices from time to time so as to meet business and regulatory need. Compliance with

Clause 49 of the Listing Agreement for the year 2010-11 has been given in the corporate governance report, which is attached and forms part of this report. The Auditor's certificate on compliance with corporate governance norms is also attached thereto.

## Board of Directors

Majority of the Board of your company is constituted of independent directors represented by eminent persons with diversified professional experience. The Board handles the responsibilities such as policy formation, performance review & analysis and control. Further they have delegated various powers to the Committees of Directors and senior executives of the Company. The Board reviews delegated powers at periodic intervals.

In accordance with section 255 and 256 of the Companies Act, 1956 and Articles of Association of the company Mr. Atul Raheja, Mr. Krishan Chand Chawla and Mr. Salil Bhandari, Directors of the Company shall retire by rotation at the ensuing Annual General Meeting. All being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting. The Board recommends their reappointment for your approval.

The tenure of Mr. Krishan Chand Chawla, Whole Time Director of the Company shall come to an end on 18th Day of September 2011. As per the recommendation of the Remuneration Committee, the Board of Directors in their meeting held on 06th Day of August 2011 has re-appointed Mr. Krishan Chand Chawla as Whole Time Director of the company for a further period of 3 years w.e.f. 19th Day of September 2011 to 18th Day of September 2014 at the remuneration, subject to the approval of the shareholders. As appointment of Whole Time Director of the Company requires the approval of shareholders in general meeting, the Board recommends the resolutions for your approval.

In accordance with the stipulation under Clause 49 of the Listing Agreement, brief resume of Mr. Atul Raheja, Mr. Krishan Chand Chawla and Mr. Salil Bhandari together with the nature of their expertise in specific areas and names of the Companies in which they hold office of a Director and/or the Chairman/ Membership of Committees of the Board, is given in the Notice of the Annual General Meeting.

## Subsidiary Company

The Company has formed a Subsidiary Company namely "Omax Engineering Services Limited" to provide Services in the field of Solar Energy, Gas, training in the field of engineering etc. on 15.07.2010. The Company has disposed off all the investment in its subsidiary during the year, since there is no viable project is available in near future.

## Directors Responsibility Statement

A Directors' responsibility statement setting out the requirement pursuant to the provisions of section 217(2AA) of the

Companies Act, 1956 is annexed as "Annexure-II" hereto and forms a part of this report.

## Auditors and Auditors' report

M/s. A. Kumar Gupta & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company at the last Annual General Meeting held on 30th September, 2010. They shall hold office till the conclusion of the ensuing Annual General Meeting of the Company. M/s A. Kumar Gupta & Co., have also given a Certificate under section 224(1B) of the Companies Act, 1956, confirming their eligibility and willingness to accept the office of the Statutory auditors, if re-appointed. The Board of Directors of your Company, recommend their re-appointment for your approval as statutory auditors to hold office from conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

The Statutory auditors of the company submitted their report on the accounts of the Company for the financial year ended 31st March, 2011 which was self-explanatory and needed no comments. There is no qualification or adverse remarks in the Auditors' Report on the Annual Accounts of the Company for the year ended 31.03.2011.

## Secretarial Audit:

As a measure of good corporate practice, the Company has appointed M/s. Chandrasekaran Associates, Company Secretaries, Secretarial Auditors to obtain Secretarial Audit Report for the year ended 31.03.2011 and the same is attached with this Annual Report. The Report is in confirmation of compliance of all applicable provisions of the Companies Act, 1956, Listing Agreement and applicable Rules and Regulation under SEBI.

## Fixed Deposits:

The Company has not invited or accepted fixed deposits from public during the year under review, within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

## Particulars of Employees:

The details pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are set out in the Annexure-III, which forms part of this Report.

## Quality Certifications

The best product & service quality and customer satisfaction are an integral part of your company's vision. Company's all round improvements and achievements in various areas are recognized from time to time by its customers and industrial associations. The units of the company are ISO 9001 and ISO/TS-16949/2002 certified for quality and shows the company's commitment towards quality management.

## Health, Safety and Environment

As the Omax Group strives to reach greater heights, the Company is focusing on continual improvement in the areas of health, safety and environment across the group.

Health and safety is a key performance indicator and one of the prime drivers of the Company's corporate vision. At Omax group, excellence is not only confined to high quality products and services but also the safety and health of its employees as safe, healthy, reliable, efficient and environmentally sound operations make good business sense.

We are committed to fostering an accident-free ambience by following stringent safety standards in the workplace. Safety and health responsibilities occupy the first and foremost position in our list of priorities. The company strives to improve workplace safety by arranging for training and development programmes to keep employees abreast with the latest in the process technology. We have a policy of promoting safe and healthy attitudes at work, thereby effectively reducing the number of accidents, injuries and illnesses. Omax group is committed to ensure zero harm to its employees, contractors and the communities in which it operates. This is integral to the Company's business process and is laid down in the Company's health and safety policies, standards and working procedures.

Omax group is committed to protect the environment. On the same lines, we have implemented a Roof Top Solar Photo Voltaic Systems at our two major plants. We follow environment friendly processes and adhere to global safety norms. The company adopts new processes and technologies continuously in an attempt to minimize pollution and waste. We believe in using natural resources responsibly and disposing by-products safely.

## Acknowledgement / Appreciation

Your Directors place on record their gratitude to the Central Government, State Governments and Company's Bankers for their assistance, co-operation and encouragement extended to the Company. Your Directors also thank and sincerely appreciate the Business Associates and Employees at all levels for their unstinting efforts in ensuring an excellent all around operational performance. Last but not the least the directors would also like to thank valuable shareholders and other stakeholders for their support and contribution.

We look forward for your continued support in the future.

For and on behalf of the Board of Directors  
**Omax Autos Ltd.**

Place: New Delhi  
Date: 6th August 2011

**Suresh Mathur**  
(Chairman)

# Annexure I to the Directors' Report

Information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended March 31, 2011.

## A. CONSERVATION OF ENERGY

a) **The company has taken the following measures to conserve energy which have lead to reduction in power and fuel consumption and cost substantially:**

- Gas Gen Sets in Manesar & Dharuhera plants enabled reduction in power & fuel cost from 3% to 1.6%.
- Installation of temperature controllers on cooling towers in Binola plant.
- Installation of Centrifuge Lubrication. Oil cleaner on DG sets in other remaining plants.
- Replacement of 36W florescent lamps by LED lights in corporate office.
- Servo automatic stabilizer installed and commissioned separately for street lighting thus saving electrical energy and increased lighting element life in Binola plant.
- Installed variable frequency drive (VFD) ON 180 cfm air compressor in Manesar plant.
- Liquid level controllers on water pump in Dharuhera plant.
- Occupancy sensors in Bawal plant.

b) **Additional Investment and Proposal for reduction in consumption of energy:**

- Horizontal deployment of all energy saving measures in other plants also (except Gas Gen Set).
- Gas Gen Set for Sprocket plant.
- Heat Recovery Unit for Dharuhera plant.
- Heat Recovery Unit for Manesar plant.
- VAM through jacket water of Gas Gen Set in Manesar plant (80T air- conditioning).
- Installation of temperature controller on cooling towers in Dharuhera, Speedomax and Manesar plants.
- All replacement of florescent lamps to be done with LED lights in phased manner in all plants.
- Bio-gas plant for canteen waste in Binola plant.
- 10 KW solar power plant for corporate office.
- Solar water heating system for plating tanks in Speedomax plant.
- Solar water heating system for canteen in corporate office.
- Replacement of boiler with hot water generator for paint shop in Speedomax plant.
- Implementation of waterless urinal pot in Corporate office.
- Occupancy sensors in all offices.
- Auto-timers for AC and light in corporate office (after 6 PM).
- Use of treated water for flushing the toilets.
- Use of star rated electrical appliance and motors for buying new one.
- Liquid level controllers on water pump in Manesar & Binola plants.

c) **Impact of above measures:**

It is difficult to quantify the impact of energy management measures on the cost of production but will certainly lead to reduction in overall energy cost.

d) **Total energy consumption and Energy Consumption per unit of production**

The required Form A is not applicable to the auto component segment and hence not being provided.

## B. RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

In line with the OMAX research vision and in accordance with the approval granted by the Department of Scientific & Industrial Research for in-house R&D, the research & development activities have been located at Manesar with exclusive

dedication to this activity. A strong team of experienced engineering & scientific personnel has been built and allocated exclusive building and equipments to undertake scientific research. Six teams have been constituted to work on the following priority areas:

- Increase Productivity in Welding & Assembly Operations
- Improved Surface Treatment & Coating Processes
- Design & Development of Special Purpose Machines
- Waste Minimization & Zero Impact Manufacturing
- Energy Conservation & Clean Energy
- Future Technologies & Materials

Enhancement of Income Tax deduction under Section 35 (2AB) from 150% to 200% has made it more attractive to invest in this strategic area and therefore CAPEX plans for the coming years are being reviewed for a bolder stride. Similarly, greater stress is likely to emerge on commercialization of technologies particularly on securing patents based on in-house R&D to obtain the excise exemption on outcome of patented products/processes admissible for three years in each case. Emphasis on futuristic technologies is inevitable to compete in a global market with increasing emphasis on environmental excellence and extended producers' warranty. Some of the specific research projects picked up for immediate attention include the following:

- Special purpose machines to enhance productivity & reduce costs
- Robotics for repeatability and human fatigue and exposure reduction
- Progressive tooling & tool life enhancement
- Laser/ Water Jet Cutting
- Hydro-forming & Flow-forming
- Infra-red drying/curing for powder coating to reduce energy consumed
- Advance Welding technologies

It is proposed to invest an amount of more than Rs. 250 Million in R&D related activities over the next three years.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) **Activities relating to exports, initiatives taken by the company to expand exports, exploring new export markets and export plans:**

The Company's export (including deemed exports) increased from Rs. 85.00 Crores in the year 2009-10 to Rs. 107.11 Crores in 2010-11. Your Company is very confident and expect considerable growth in exports in the next financial year i.e. 2011-12 due to increased business from Home Furnishing segment.

- b) **Total foreign exchange earnings and outgo**

(Rs. In Lacs)

Particulars	Current Year 2010-11	Previous Year 2009-10
Earnings (FOB Value of exports)	1243.46	1527.01
Outgo (CIF Value of imports)	990.81	923.23
Other expenses	19.62	25.74

## Annexure II to the Directors' Report

**Directors' responsibility Statement pursuant to the provisions of section 217(2AA) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended March 31, 2011;**

The statement of the Directors' responsibility on the annual accounts of the Company for the financial year ended March 31, 2011 is provided below:

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

## Annexure III to the Directors' Report

**Particulars of employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975 and forming part of the directors' report for the year ended March 31, 2011.**

Person employed for full/part of the year ended March 31, 2011, who were in receipt of remuneration which in the aggregate was not less than Rs. 60, 00,000 p.a./ Rs. 5,00,000 p.m.

Name of employee	Designation	Qualification	Remuneration (Rs in Lacs)	Age (Yrs.)	Exp (Yrs.)	Date of Commencement of employment in the Company	Previous employment held before joining the Company	% of equity share capital held
Mr. Jatender Kumar Mehta	Managing Director	B.E	112.34	62	37	01.01.1986	Partner- Omax Engineers	6.10

### Notes:-

- Remuneration includes salary, commission, other allowances, payments and expenditures incurred on perquisites and company's contribution to provident fund and Superannuation fund.
- The appointment is on a contractual basis as per shareholders' approval.
- Other terms and conditions are as per shareholders' resolution.
- Managing Director looks after the work of the company under the control and supervision of the Board of Directors of the Company.

The objective of this report is to share with you and keep you abreast with the happenings and transformations occurring within the Company, that in the industry and economy, its manufacturing processes, technology and its overall business strategies. We begin with a general review of the industry, macro economy followed by the operational and financial details of the company including details of its human resources, research and development activities.

## ECONOMIC OUTLOOK:

### Global Economy:

The global economy continued to recover from the fall of 2008, albeit with a few minor setbacks. The higher than expected growth, observed both in advance and emerging economies during the last year raised the hopes for sustainable global recovery. However, the fear of emerging high oil prices is the biggest threat to this growth rate. As a result, even the International Monetary Fund (IMF) has projected a slower growth in global GDP at 4.4% in 2011 vis-à-vis 5.0% growth recorded a year ago. Some of the other risks to global growth remain in the form of weak sovereign balance sheets, frail real estate markets in the Euro Area and geographical uncertainty in advance economies. Though Emerging Economies (EMEs) are expected to grow by 6.5% in 2011 as compared to 2.4% growth projected for advance economies, risk emanate from overheating pressures and rising assets prices. As per IMF, inflationary measures may build up further and there is a need of tightening of macroeconomic policies.

### Indian Economy:

Indian economy continued on the recovery path with a broad based growth spread across various sectors. GDP growth has been higher at 8.5% in 2010-11 as compared to 8.0% registered during 2009-10. The Growth was particularly aided by agriculture sector growing at 6.6% (0.4% last year), while industry and services sector rose by 7.8% and 9.4% respectively. However, continuing high inflation level has been a cause of concern with wholesale price index (WPI) inflation continuing at an elevated level of 8.66% in April 2011. Reserve Bank in its Annual Policy 2011-12 has estimated WPI inflation at 6% with an upward bias for the end March 2012. As indicated in the policy, achievement of this objective will be helped by concerted policy actions and resource allocations to address domestic bottlenecks, particularly on the food and infrastructure fronts. Nonetheless, India has good growth potential on a sustainable basis as indicated by the savings rate of over 34% and an investment rate of over 36%.

The Government has targeted a GDP growth rate of 9% in 2011-12 and with conscious efforts to support it through the Union Budget. An allocation of Rs. 214,000 crore (US\$ 46.5 billion) for infrastructure in 2011-12 reflects an increase of 23.3% over 2010-11.

During 2010-11, exports grew to \$ 246 billion from \$ 178 billion last year registering a YOY growth of 37.6%. During the period, Imports grew by 22% to \$ 350 billion from \$ 287 billion last year. While oil imports grew by 12.4% to \$ 88 billion, non-oil imports stood at \$ 217 billion, growing by 20.4%.

The current account deficit (CAD) is estimated at 2.5% of GDP for the year 2010-11 lower than 2.8% for the year 2009-10.

## INDUSTRY STRUCTURE:

### Demand: Review and Outlook

Automobile is one of the largest industries in global market. Being the leader in the product and process technologies in the manufacturing sector, it has been recognized as one of the drivers of economic growth.

On the canvas of Indian economy, auto industries occupy a prominent place. Due to its deep forward and backward linkages with several key segments of the economy, automotive industry has a strong multiplier effect and is capable of being the key driver of economic growth. Being one of the largest industries in India, this industry has been witnessing impressive growth during the last two decades. It has been able to restructure itself, absorb newer technology, align itself to the global developments and realize its potential.

Automotive Industry comprises of automobile and auto component sectors. The Indian automotive industry consists of six segments: commercial vehicles, multi-utility vehicles, passenger cars, two-wheelers, three-wheelers and tractors.

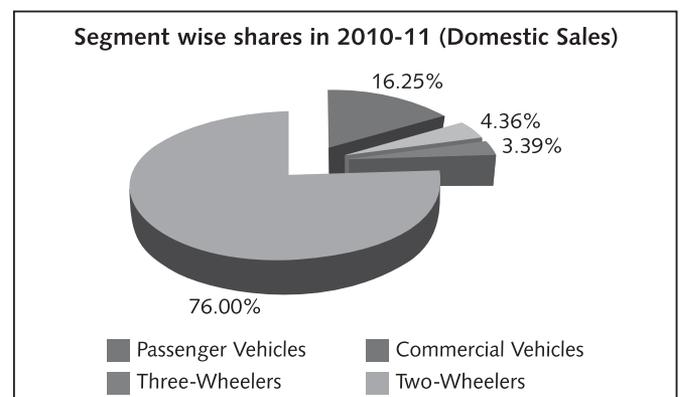
Automobile Industry reported a decent growth of 26.61% in sales in 2010-11 as compared to 2009-10 including exports. Total vehicle sales including export in 2010-11 was 1,78,52,489 units as compared to 1,40,99,823 units during 2009-10.

### Domestic Sales

Domestic vehicle sales grew by 26.17% in 2010-11 as compared to 2009-10. According to the figure released by SIAM, total vehicle sales in India in the year 2010-11 was 1,55,13,156 units as compared to 1,22,95,397 units during 2009-10.

Segment wise domestic sales during 2010-11 as compared to 2009-10 are as follows:

Segment	2010-11	2009-10	Growth	Growth in %
Passenger Vehicles	2520421	1951333	569088	29.16
Commercial vehicles	676408	532721	143687	26.97
Three -Wheelers	526022	440392	85630	19.44
Two-Wheelers	11790305	9370951	2419354	25.82
<b>Total</b>	<b>15513156</b>	<b>12295397</b>	<b>3217759</b>	<b>26.17</b>

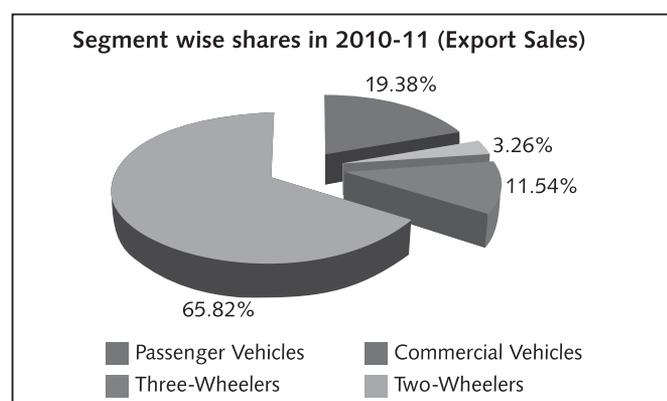


## Export Sales

Export sales grew by 29.64% in 2010-11 as compared to 2009-10. According to the figure released by SIAM, total export sales in India in 2010-11 was 23,39,333 units as compared to 18,04,426 units during 2009-10.

Segment wise export sales during 2010-11 as compared to 2009-10 are as follows:

Segment	2010-11	2009-10	Growth	Growth in %
Passenger Vehicles	453479	446145	7334	1.64
Commercial vehicles	76297	45009	31288	69.51
Three -Wheelers	269967	173214	96753	55.86
Two-Wheelers	1539590	1140058	399532	35.04
<b>Total</b>	<b>2339333</b>	<b>1804426</b>	<b>534907</b>	<b>29.64</b>



## INDIAN AUTOCOMPONENT INDUSTRY:

The Indian Automobile components industry has come a long way since the country's economic liberalization which opened up the sector in the early 1990s. From a quite supplier of low-value components to the domestic aftermarket, the industry has transformed itself into a global hub for sourcing a range of high-value and critical automobile components. The Industry is the darling of many global auto markets such as GM, Toyota, Ford, Volkswagen, etc., who source auto components worth millions from India. As per report from Industry body Automotive Component Manufacturers Association of India (ACMA), turnover of the auto component industry is about USD 26 billion in 2010-11, up 18% from USD 22 billion in 2009-10. ACMA report reveal that the Indian auto component industry is expected to achieve an annual turnover of USD 110 billion by 2020, for which a total investment of USD 35 billion is likely to be made. According to a report jointly prepared by ACMA and consultancy firm Ernst & Young, the industry is expected to contribute 3.6% of India's GDP by 2020 from the current level of 2.1%. Auto Component exports are expected to grow to USD 30 billion by 2020. India's share in the global auto components market is expected to rise from 0.9% in 2008-09 to 2.5% in 2015.

## Two-Wheelers

During the year 2010-11, this sector registered a significant growth of 26.82 % from 105.11 Lacs vehicles to 133.30 Lacs

vehicles. The company's major customer M/s. Hero MotoCorp Ltd. was the front runner in terms of sale in two wheeler segment with more than 40 % market share in this segment.

For Omax Autos, this segment contributed net sales of Rs. 829.16 Crore during 2010-11 as compared to Rs. 657.08 Crore during the previous year. Over 70% of your Company's revenue comes from Two-wheeler segment followed by Passenger Car which is contributing around 5% and with the growth in these segments, the overall sale is expected to increase. Today, Two-wheeler segment has nearly 75% market share in the overall automobile industry. It has been witnessed that in last 2 years Two-wheeler industry has shown strong volume growth of 25.9% and 26.82% in 2009-10 and 2010-11 respectively. According to credit rating agency ICRA, for the coming five years this growth will sustain and industry is expected to grow at CAGR (Compound Annual Growth Rate) of 10-12%. Two-wheeler industry will reach to the size of 21-23 million by 2015-16 from the current size of 13.3 million.

Hero MotoCorp. & Associates contributes over 60% of Company's sales and hence dominated by this single large client. To counter the concern of single client dependency, the Company has started to diversify the clientele. In the coming financial year 2011-12, the Company is expecting to reduce its dependency from Two-Wheeler segment.

## Passenger Car:

During the year 2010-11, the passenger car segment registered a growth of more than 24% reported sales including export of 29.80 Lacs vehicles as compared to 23.97 Lacs vehicles in the previous year. The year 2010-11 was a remarkable year for passenger vehicle industry recording a decent growth driven by increase in disposable income, availability of finance and positive consumer segment coupled with aggressive new model launches and pricing by manufactures.

According to ACMA, the total passenger car production will jump four times to reach 9 million cars by 2020. Although a major chunk of this will come from the fast growing domestic market, exports are likely to form around 35% of total market by 2020.

The Net Sales of Your Company in this segment during the year 2010-11 was Rs. 56.91 Crore as compared to Rs. 55.62 Crore during the previous year.

At Omax, passenger vehicle segment is contributing around 5% of its total revenue and the company has planed to increase its contribution. For the coming 3-4 years passenger vehicle will grow at grow at a CAGR of 6.3%. In order to reduce its dependence on Hero MotoCorp. and expand its business, Omax has planed to increase its focus on Passenger vehicle segment. For the coming financial year 2011-12, management is expecting to have turnover of more than Rs. 75 Crore from this segment. Major client of Omax in this segment is Maruti to which the Company is providing Bumper & Axel.

## Commercial Vehicles:

In Auto Sector, Commercial vehicle segment recorded a robust growth of 30.28 % during 2010-11 reported sales including export of 5.78 Lacs vehicles as compared to 7.53 Lacs vehicles in the previous year.

High growth rates continued through the first half of the fiscal year supported by sustained economic growth and impact of a lower base in the corresponding period last year. The demand for commercial vehicles continued to be robust, driven by growth in the agricultural and industrial sectors of the economy. 2010-11 was remarkable year from the point of view of export registering a decent growth of 69.51%.

To increase its foot print in different segment of automobile industry, Omax has taken several steps, out of which one of the important step was to set up a plant in Lucknow for manufacturing of MHCV chasis and to supply the same to Tata Motors. The Plant had started the production in September 2009. During the financial year 2010-11, the first full year operation, your company has registered a decent growth and sales under this segment reached to Rs. 112.68 Crore.

As the Tata Motors Limited is leader of Commercial Vehicle segment with more than 55 % market share, Omax is also expected to register decent growth in the year to come. The current capacity of its Lucknow plant is around 120-125 chasis per day. Due to enormous opportunity under this segment, a second assembly line is being set up with an additional annual capacity of 30,000 frames with press shop improvement at Lucknow plant. Incremental capacity is planned to be commissioned by the end of December, 2011. After commencement of second assembly line at full capacity, the Company will attain the sales of more than Rs. 250 Crore per annum. The Company is also making continuous efforts to establish contacts with other commercial vehicle manufacturers for new business and expanding the product portfolio.

## DIVERSIFICATION

Auto Component segment is low operating margin business and has less bargaining power due to tough competition in the market. Your Company is facing the same margin pressure in this segment. Omax, being an auto ancillary company has high dependency on auto business. To de-risk its business and to reduce its dependency on auto industry the Company has entered into non-auto segment such as railways and Home Furnishing.

## Home Furnishing:

Under this segment, the Company is exporting various items to large international customers like IKEA, Target, GIMI etc. The Company has started the production in home furnishing segment in 2008-09. This business is continued to grow for your Company. Under this segment, company is exporting its 100% production and not doing any domestic business.

At Omax, this segment reported total sales of Rs. 96.57 Crore in 2010-11 as compared to Rs. 70.14 Crore in 2009-10. The Company is in talks with various other international customers for business. The management is expecting Rs. 125 Crore revenue from this segment in financial year 2011-12.

## Railways:

The Company is manufacturing various parts and components for Indian Railways through its dedicated facilities at Faridabad plant. Omax is a registered supplier of Indian Railways. This segment reported total sales of Rs. 3.29 Crore in 2010-11 as compared to Rs. 1.16 Crore in 2009-10

Due to insufficient space at Behrampur, Gurgaon, the management has shifted the railway plant from Behrampur, Gurgaon to Sikri, Faridabad. The management has also decided to enhance the capacity for tapping the higher sales in this field.

The management is in talk with various new customer including DMW Patiala, ICF Chennai, SRT Thailand, CRPF etc. for business. The Company has also planned for manufacturing of new products in this segment from its new facility at Faridabad. After commencement of new facility at Faridabad in July 2011, the management is expecting total sales of more than Rs. 10 Crore from this segment in financial year 2011-12.

## Opportunities and Threats:

Automobile Sector is optimistic on the growth prospects of the industry for the forthcoming fiscal. Tremendous opportunity for growth in the auto industry are available both in the domestic and overseas markets. India's low cost advantage would drive automobile exports factors such as abundant low cost labour, local availability of steel, aluminium and natural rubber, strong ancillary industry and 100% FDI allowed in the sector in addition to high demand outlook has attracted the global auto majors to set up significant capacities in India.

The Company has been constantly striving to upgrade manufacturing technology to be able to increase its share with major automobile manufacturing companies. With the focus on infrastructure spending by the government, there is a potential for growth within the auto industry in the medium terms. Your company has investments, manufacturing strength and the relationships to take advantage of this market turn.

Free trade agreements, or FTAs, signed by India last year have also made it difficult for local component makers. Trade agreements signed with countries like Thailand and China, which already offer a number of incentives to their domestic players, are perceived to be a huge threat to India. Indian auto parts suppliers, struggling to meet a surge in demand due to capacity constraints, are ceding ground to aggressive Chinese suppliers. Large capacity addition takes time as companies have to put up with high borrowing costs and also companies ramp up their capacity only when they see stability and not during a cyclical boom.

## Risks and concerns:

Entry of new players and launch of new models have increased market competition. Competition will be the major challenge facing the industry in FY 2011-12. Increasing intensity of competition amongst the automobile manufacturers would not allow full pass-through of the rising input costs. The pressure of competition would be percolated down to the fragmented auto component industry with weak bargaining power. The component manufacturers find it difficult to pass on the rising

# Management Discussion and Analysis Report

costs to the cost sensitive replacement market. The commodity prices are beyond the control of the Company. Any increase in input costs which are not passed on to customers has the risk of affecting the company.

Input prices to witness an upward movement in FY 2011-12. Power costs and Raw material cost will be the major challenge facing the industry. However, successful commissioning of 100 kWp rooftop solar plants at Dharuhera & Manesar unit, which will help the company to reduce its power costs.

The Company is also expected to interest rate variations on account of the borrowings. Any diverse interest rate movement has a significant impact on the company.

Demand conditions in the export market were also viewed as the other major challenge facing the sector. Cost control programmes will be the key thrust area for FY 2011-12. Cost management and risk management emerged as fundamental focus area for the auto component sector.

New product launches drove growth of the industry in the recent couple of years. For FY 2011-12 as well, this is likely to be the key strategic focus of automobile companies, the auto component companies need to restructure itself, absorb newer technology and align itself to the global developments. The Company is significantly dependant on Hero MotoCorp Ltd. and would be directly impacted by any developments at Hero MotoCorp Ltd.

The Company also expects employee strength to increase in FY 2011-12, required for increased sales.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has required internal control system and procedures, to ensure optimal use of Company's resources. The Company's Business control department besides internal auditors conducts regular audit/checks of various operational and financial matters to derive findings as a comparison for targets achieved and observations for further action to be taken. The audit committee of the board of directors periodically reviews and discusses the audit observations.

The internal control system is designed to ensure that all the financial and other records are reliable and authentic to prepare the financial statements and other data.

The internal control system is also designed to ensure that resources available with the Company are used adequately and the roles and responsibility assigned to each department has been accomplished in an optimum manner.

## HUMAN RESOURCE

Omax consider human resource is most valuable asset to the organisation. Therefore it continues to build a culture of mutual respect, trust as well as learning and development where business and people objectives are pursued with vigor and thereby become an employer of choice. They are self disciplined and motivated to pursue the challenging tasks and give quality output. The company has the culture of teamwork, collectivity and collaboration. The Management believes that the employees have unlimited potential and they are encouraged to achieve this by building conducive environment of autonomy, creativity, continuous learning and development.

In this endeavor many initiatives have been initiated last year, like DNA change & Operational Excellence. DNA Change is a concept of building positive environment through collaborative processes in the different teams to develop new ideas, enhancing their engagement and interaction for the growth of the organization. It aligns groups' expectations, communicates, integrates teams and manages people development needs. It involves and helps in getting support from people within system, environment, processes, culture, relationships, behaviors, etc. It helps in building the robust business processes and enhancing customer satisfaction, product portfolio, market leadership, quality, and employee attitude which are very important in today for the organisation.

Another initiative of Omax i.e. OPEX has been introduced in the group. OPEX is "A Journey towards Excellence in Customer Satisfaction, Employee Involvement & Business Results". Operational Excellence model starts from Strategic Planning Process, which involve all leadership team members of OMAX and Improvement Projects were identified through Quality function deployment and Pareto Analysis. Other improvements pillars are 5S & Kaizen. The objective of these two pillars are to improve involvement & nurture the creativity at all level. OMAX Operational Excellence model ensure participation from all.

## FINANCIAL PERFORMANCE AND ANALYSIS

Rs. in Lacs

Abridged Profit and loss statement	Current Year 2010-11	Previous Year 2009-10
Gross sales & Other Income	132901.07	97494.72
Excise Duty & Sales Tax	15679.32	9937.09
Net Sales and other income	117221.75	87557.63
Cost of Material	85777.65	61703.34
Power, Fuel & Lubricants	3190.86	2918.23
Personnel Expenses	11470.07	9188.08
Manufacturing, Adm. & Selling Expenses	7839.98	5959.42
Total Expenses	108278.56	79769.07
PBIDT	8943.19	7788.56
Less: Interest	3405.41	3231.92
PBDT	5537.78	4556.64
Less: Depreciation and Amortization	2916.50	2920.19
Profit before Tax and Exceptional Income	2621.28	1636.45
Add: Exceptional Income	531.68	407.27
Profit Before Tax	3152.96	2043.72
Less: Provision for Tax (including Deferred Tax)	1010.02	613.34
Net Profit After Tax (PAT)	2142.94	1430.38
Net Worth	17877.53	16138.96
Earning Per Share (Rs.)	9.95	6.64

## HEALTH, SAFETY AND ENVIRONMENT

All manufacturing locations of your company are independently certified for ISOTS 16949-2002, ISO 14001 and OHSAS ISO 18001 compliances. Regular safety audits are being conducted in all the plants and lapses wherever observed are immediately plugged. The company is highly conscious of health and safety of its employees and has safety and environmental committees in every plant. All Plants are fully equipped with state of the art effluent treatment plants and sewage treatment plants. Company Lawns and Flower Beds are being maintained by the use of Recycled/Treated Water. The company monitors and ensures smooth working of these plants on regular basis. Rain water harvesting system and the use of energy efficient equipment forms a regular part of the working of our company. Quarterly Audits ensure HSE System is in place in the Plants.

The company has been following a policy of "safety first" in all operations. Apart from training people, adequate systems and processes have been developed to ensure minimal risk to people who are working in all manufacturing locations and administrative offices of the company.

## ENERGY

The management is very concerned about the rising cost of power and fuel and to contain these costs, the company is working on many energy conservation activities. Energy audits were also got conducted by experts and which resulted in many power saving projects for implementation also. The company has decided to use LED lights by replacing the existing conventional CFL lighting in a phased manner.

## CORPORATE SOCIAL RESPONSIBILITY

True to our Company Vision, the company embraces a wider community besides Customers and Suppliers. Keeping in its mind large societal issues the company tries to integrate

economic, environmental and societal factors in its business strategies.

The programme which was initiated last year "Nanhi Chhaan". Where awareness was created to all employees by celebrating the birthday of girl child and distributing sweets and gift to concerned employee has been further strengthened, to curb female feticide which is prevalent in society.

A blood donation camps in association with Rotary blood bank were also organized in company premises where large number of employee come forward on their own for donating the blood.

As a part of corporate social responsibility, Omax constructed a bridge and road in near by village of one of our plant.

Contributing to society in which we operate to ensure its sustainable development is Omax's commitment to a better society.

Plantation activity has also been promoted by Omax Group during the year at various plants of Omax.

## CAUTIONARY STATEMENT

The company has made forward looking statements in this document that are subject to risks and uncertainties. Forward looking statements may be identified by the use of words like "expects", "anticipates", "believes", "estimates" or similar expressions. All statements that address expectations or projections about the future, including but not limited to, statements about the strategy of the company's growth, product development, market position, market expectation and financial expectations are forward looking statements.

For that statement, the company cautions, that numerous important factors could affect the Company's actual results and could cause its results to differ materially from those expressed in any forward looking statement.

## The Company's philosophy on Code of Corporate Governance:

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in such a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and to meet its stakeholders' aspiration and societal expectations.

Omax is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our Governance practices stems from an inherent desire to improve, innovate and reflects the culture of trusteeship that is deeply ingrained in our value system and forms part of the strategic thought process.

Omax's Corporate Governance initiative since time has always been following four core principles:

- i. Management must have the executive freedom to drive the organization forward without undue restraints.
- ii. This freedom of management, however, should be exercised within a framework of effective accountability and transparency.
- iii. Rights, Interests and Equitable Treatment of Shareholders should always be the key focus.
- iv. Integrity, Disclosures, Transparency and Ethical Behaviour.

Omax believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks and balances which ensure that the decision making powers vested in the executive management are used with care and responsibility and not misused.

Omax's governance philosophy embraces the tenets of trusteeship, transparency, empowerment and accountability, control and ethical corporate citizenship. Omax believes that the practice of each of these tenets would lead to the creation of the right corporate culture in which the Company is managed in a manner that fulfils the purpose of Corporate Governance.

**Trusteeship** recognizes that large corporations have both an economic and a social purpose, thereby casting the responsibility on the Board of Directors to protect and enhance shareholders' value, as well as fulfilling obligations of other stakeholders.

**Transparency** requires that the Company makes appropriate disclosures where necessary and explains the basis of its policies and actions to all those who are affected by them.

**Empowerment** is a process used to unleash creativity and innovation throughout the organization by decentralizing and delegating the decision-making powers at the most appropriate levels.

**Control** ensures that freedom of management is exercised within a framework of checks and balances and is designed to prevent misuse of power, facilitate timely response to change and ensure effective management of risks.

Omax's Corporate Governance process continuously reinforce and helps in actualizing the Company's belief in ethical corporate citizenship and is manifest through exemplary standards of ethical behavior, both within the organization as well as in external relationships.

## The Governance Structure:

The practice of Corporate Governance in Omax is at three interlinked levels:

- i. Strategic Supervision - by the Board of Directors
- ii. Strategic management - by the Executive Committee
- iii. Executive management - by the Divisional Head of the business

This three-tier structure ensures that strategic supervision on behalf of the shareholders being free from the task of strategic management can be conducted by the Board with objectivity thereby sharpening accountability of the management. The structure also ensures that executive management of the divisions, being free from the collective strategic responsibilities for Omax as a whole, is focused on enhancing the quality, efficiency and effectiveness of each business.

The core roles of the key entities flow from the structure. The core roles, in turn, determine the core responsibilities of each entity. In order to discharge such responsibilities, each entity is empowered formally with requisite powers.

The structure, process and practice of governance enables focus on the corporate purpose while simultaneously facilitating effective management of the diverse businesses within the portfolio.

## BOARD OF DIRECTORS

The Board of Directors ("the Board") is at the core of our corporate governance practice and oversees how the management serves and protect the long term interest of all our stakeholders. The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The Board being the trustee of the Company

is responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals.

The majority of our Board, six out of ten, are independent members and chaired by the independent director. Further. We have Audit Committee, Shareholders'/ Investors' Grievance Committee, Executive Committee, Remuneration Committee, Project Committee, which comprise independent directors and all chaired by independent directors.

### Composition of the Board:

The Board comprises of an optimal complement of independent professionals as well as company executives having in-depth knowledge of business. As on the date of this report, there are total ten directors in the Company comprising the following:

- Two Managing Directors.
- One Whole Time Director.
- One Non-Executive Director.
- Six Non-Executive Independent Directors.

According to Clause 49, if the Chairman is Non-executive, at least one third of the Board should consist of non-executive independent directors. This provision is more than adequately met at Omax. The Board believes that current size is appropriate, based on our present circumstances.

During the financial year under review, six (6) Board Meetings were held on the following dates:

May 29, 2010, August 13, 2010, October 30, 2010, December 16, 2010, February 5, 2011 and March 31, 2011.

As per requirement of Listing Agreement gap between two Board Meetings is less than 4 months.

None of the Directors on the Board holds the office of director in more than 15 companies or membership of committees of the Board in more than 10 committees or chairmanship of more than 5 committees.

Details of Board Meeting attended, attendance at AGM, and number of directorship held, Position of membership/chairmanship of Committees as on 31st March 2011 is explained in the following table.

Name of Director	Designation@	Board Meetings attended	Attendance at last AGM held on 30.09.2010	No. of other Directorships held (including Omax Autos Limited)*	No. of Committees in which director is a Member or Chairman (including Omax Autos Limited)**	
					Members	Chairman
Mr. Suresh Mathur	C & NED (I)	5	NO	4	–	1
Mr. Jatender Kumar Mehta	MD	6	YES	6	2	–
Mr. Ravinder Mehta	MD	6	NO	3	–	–
Mr. Krishan Chand Chawla	WTD	6	YES	1	1	–
Dr. Triloki Nath Kapoor	NED (I)	6	NO	5	5	4
Dr. Ramesh Chandra Vaish	NED (I)	5	YES	7	3	1
Mr. Salil Bhandari	NED	6	YES	7	4	1
Mr. Lalit Bhasin	NED (I)	4	NO	10	7	1
Mr. Verinder Kumar Chhabra	NED (I)	-	NO	8	1	–
Mr. Atul Raheja	NED (I)	4	NO	6	1	–

Mr. Jatender Kumar Mehta and Mr. Ravinder Mehta are brothers. None of the other directors is related to any other director.  
@ C - Chairman, MD - Managing Director, WTD - Whole Time Director, NED - Non Executive Director, I - Independent Director.

\* Private Limited Companies, Section 25 Companies and Foreign Companies have not been included for the calculation of Directorships in companies.

\*\* Audit Committee and Shareholders' and Investors' Grievances Committee have been considered for the purpose of Membership and Chairmanship held by the Director in Public Limited Companies.

An Independent director is a Non-Executive Director who, apart from receiving director's remuneration, does not have any material pecuniary relationship or transactions with the Company, its promoters or its management or its subsidiaries and associates which in the judgement of the Board, may affect his independence of judgement and complying with other conditions as prescribed under Clause 49 of the listing agreement.

The Agenda papers containing all the necessary information are made available to the Board well in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as a part of Agenda papers, the same are tabled at the Meeting.

All the relevant information suggested under the clause 49 is furnished to the Board from time to time. The information regularly supplied to the Board inter-alia includes the following:

- The Annual Operating Plans and budgets and any updates thereon.
- Capital Budgets and updates, if any.
- Minutes of meetings of Audit Committee and other committees of the Board.
- Legal Compliance report and certificates.
- General notices of interest.
- Review of operations.
- Strategic decisions relating to various ventures.
- Statutory matters.
- Review and adoption of Annual accounts and quarterly and annual financial results.

The Company has also laid down procedures to inform the Board Members about the risk assessment and mitigation procedure.

## Code of Conduct

Omax's Board has laid down a code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the Company's website [www.omaxauto.com](http://www.omaxauto.com)

All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration signed by Managing Director to this effect is enclosed at the end of this report.

## AUDIT COMMITTEE

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted and headed by an Independent Director. The Composition, quorum, power, role, review of information etc. of the Audit Committee is in accordance with the Section 292A of Companies Act, 1956 and Clause 49 II of the Listing Agreement. Presently the Audit Committee comprises of Four Non-Executive Independent Directors, One Non-Executive Director and One Executive Director. All the members of the Committee have requisite financial and management expertise/knowledge and have rich experience of the industry.

The Composition of the Audit Committee is given herein below:

Member's Name	Category	Designation
Dr. Ramesh Chandra Vaish	Non-Executive Independent Director	Chairman
Dr. Triloki Nath Kapoor	Non-Executive Independent Director	Member
Mr. Atul Raheja	Non-Executive Independent Director	Member
Mr. Verinder Kumar Chhabra*	Non-Executive Independent Director	Member
Mr. Salil Bhandari	Non-Executive Director	Member
Mr. Jatender Kumar Mehta	Executive Director	Member

\* Mr. Verinder Kumar Chhabra was appointed as member of the Audit Committee through the circular resolution passed by the Board of Directors on 29.01.2011.

Company Secretary of the Company acts as Secretary of the Audit Committee. Internal auditors, Management and other Senior Personnel of the Company, also attend the Meeting of Audit Committee, as and when required. Dr. Ramesh Chandra Vaish, Chairman of Audit Committee was present at last Annual General Meeting held on 30th September 2010 to provide any clarification on matter relating to the audit.

The terms of reference of Audit Committee include the matters specified in clause 49(II) of the Listing Agreement with the Stock Exchanges and section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee inter-alia includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and removal of statutory auditor, fixation of audit fee and also approval of payment for any other services.
- Reviewing with the management the quarterly and annual financial statements before submission to the Board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (2AA) of Section 217 of the Companies Act.
  - Any change in the accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualification on draft audit report, if any.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- Reviewing with the management the quarterly financial results before submission to the Board for approval.
- Reviewing with management, external and internal auditor, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the Structure & strength of internal audit department, coverage and frequency of internal audit, financial & risk management policies particularly relating to foreign exchange exposure.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payments of declared dividends) and creditors.
- Approval of Appointment of Chief Financial Officer.
- Carrying out any other function as per directions from the Board from time to time.

Apart from above, the committee also reviews other matters as required under Clause 49 of the Listing Agreement, Section 292A of Companies Act, 1956 and other laws, rules and regulations.

During the financial year under review, five (5) Audit Committee Meetings were held on the following dates:

May 29, 2010, August 13, 2010, October 30, 2010, February 5, 2011 and March 31, 2011.

As per the requirement of the Listing Agreement, the gap between any two meetings of the Committee is less than four months. The adequate quorum was present at every Audit Committee meeting.

## Attendance of members at Audit Committee Meetings:

Member's Name	No. of Meetings attended
Dr. Ramesh Chandra Vaish	5
Dr. Triloki Nath Kapoor	5
Mr. Atul Raheja	–
Mr. Salil Bhandari	5
Mr. Verinder Kumar Chhabra*	–
Mr. Jatender Kumar Mehta	5

\* Mr. Verinder Kumar Chhabra was appointed as member of the Audit Committee through the circular resolution passed by the Board of Directors on 29.01.2011.

## REMUNERATION OF DIRECTORS

### REMUNERATION COMMITTEE

The Company is transparent in compensation policy of Directors. The Committee sets the overall policy on remuneration and the other terms of employment of Executive Directors of the Company within the overall ceiling fixed by the members of the Company and recommend the same for the approval of the Board. The Committee recommends remuneration package of Executive Directors to the Board with reference to individual performance, experience and market conditions with a view to provide a package which is appropriate for the responsibilities involved.

The Composition of the Remuneration Committee is given herein below:

Member's Name	Category	Designation
Dr. Triloki Nath Kapoor	Non-Executive Independent Director	Chairman
Dr. Ramesh Chandra Vaish	Non-Executive Independent Director	Member
Mr. Verinder Kumar Chhabra	Non-Executive Independent Director	Member

During the financial year under review, one remuneration Committee was held on 13th August 2010.

## Attendance of members at Remuneration Committee Meeting:

Member's Name	No. of Meetings attended
Dr. Triloki Nath Kapoor	1
Dr. Ramesh Chandra Vaish	1
Mr. Verinder Kumar Chhabra	–

### Remuneration Policy of Directors:

#### Executive Directors:

The remuneration paid to the Executive Directors i.e. Managing Directors and Whole Time Director is recommended by the Remuneration Committee and approved by the Board of Directors subject to shareholders' approval in the subsequent General Meeting.

#### Non-Executive Directors:

The Non-Executive Directors are being paid by way of sitting fee of Rs. 10,000/- for every meeting of the Board and that of Rs. 2,500/- for the Committee meetings, if any, attended by them. The Board of Directors in its Meeting held on 28th May 2011 has revised the payment of sitting fees and as per the said approval, the Non-Executive Directors are being paid by way of sitting fee of Rs. 20000/- for every meeting of the Board and that of Rs. 5000/- for the Committee meetings, if any, attended by them.

The company has passed Special Resolution through postal ballot on 16th September 2009 to pay commission upto 1% of the net profit of the company in each financial year or upto Rs. 5,00,000 per annum whichever is less to Non-Executive Chairman of the company. The Board of Directors in its meeting held on 28th May 2011 has decided and recommended to the Shareholders at the ensuing Annual General Meeting to obtain the approval for payment of Commission to all the Non-Executive Directors of the Company within the overall limit of 1% of the net profit of the Company computed in accordance with Section 349 and 350 of the Companies Act, 1956 effective 01st April 2011, in view of their efforts to the Company.

Details of remuneration paid/payable to Directors for the year 2010-11 are as follows:

Name of Director	Sitting Fees (Rs.)	Comm. on Profits (Rs.)	Salary (Rs.)	Contribution to Statutory Funds (Rs.)	Prerequisites (Rs.)	Others (Rs.)	Total (Rs.)
<b>Executive Directors</b>							
Mr. Jatender Kumar Mehta	–	–	90,00,000	10,80,000	11,54,401	–	1,12,34,401
Mr. Ravinder Mehta	–	–	7,20,000	86,400	2,60,583	–	10,66,983
Mr. Krishan Chand Chawla	–	–	45,65,695	172800	–	–	47,38,495
<b>Non-Executive Directors</b>							
Mr. Suresh Mathur	50,000	5,00,000	–	–	–	–	5,50,000
Dr. Triloki Nath Kapoor	1,12,500	–	–	–	–	–	1,12,500
Dr. Ramesh Chandra Vaish	67,500	–	–	–	–	–	67,500
Mr. Salil Bhandari	1,00,000	–	–	–	–	–	1,00,000
Mr. Lalit Bhasin	40,000	–	–	–	–	–	40,000
Mr. Atul Raheja	40,000	–	–	–	–	–	40,000
Mr. Verinder Kumar Chhabra	–	–	–	–	–	–	–

The company is not making any payment to its directors by way of performance linked incentives. The appointment of the executive directors is on contractual basis and notice period is of 3 months of either side. There is no stock option in the company granted to the directors.

#### SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Shareholders' & Investor Grievance Committee has been constituted to attend and redress the shareholders'/investors' grievances. The Committee is headed by Dr. T.N. Kapoor, Independent Director of the Company.

The Present composition of Shareholders'/Investors' Grievance Committee is as under:

Member's Name	Category	Designation
Dr. Triloki Nath Kapoor	Non Executive Independent Director	Chairman
Mr. Salil Bhandari	Non-Executive Director	Member
Mr. Jatender Kumar Mehta	Executive Director	Member
Mr. Krishan Chand Chawla	Executive Director	Member

During the financial year under review, ten Remuneration Committee meetings were held on the following dates:

June 30, 2010, August 31, 2010, September 15, 2010, October 15, 2010, October 30, 2010, November 30, 2010, December 15, 2010, December 31, 2010, February 15, 2011 and March 31, 2011.

Attendance of members at Shareholders'/Investors' Grievance Committee Meetings:

Member's Name	No. of Meetings attended
Dr. Triloki Nath Kapoor	10
Mr. Salil Bhandari	10
Mr. Jatender Kumar Mehta	10
Mr. Krishan Chand Chawla	10

## Name, Designation and Address of Compliance Officer:

Mr. Aseem Chopra, GM-Finance has been designated as Compliance Officer of the Company.

Omax Autos Limited  
Plot No. B-26, Sector 32,  
Institutional Area,  
Gurgaon (Haryana)-122001  
Phone: +91-124-4343000  
Email: cs@omaxauto.com

The functioning and broad terms of reference of the Shareholders'/Investors' Grievance Committee as adopted by the Board is as under:

- a) To monitor work related to
  - Transfer and/ or transmission of the shares of the Company;
  - Dematerialisation/ rematerialisation of the shares of the Company;
  - Subdivision, consolidation and/or replacement of any share certificate(s) of the Company;
- b) Approval of issue of duplicate share certificates against the original share certificates.
- c) To look into the Redressal of shareholders' and investors' Grievances like transfer of shares, non-receipt of Balance sheet, non-receipt of declared dividend, review of dematerialisation, rematerialisation, shareholding pattern, distribution schedules etc.
- d) To do all other acts or deeds as may be necessary or incidental thereto.

The main object of the Investors' Grievance and Share Transfer Committee is to strengthen investor relations.

The Compliance Officer, is entrusted with the responsibility, to specifically, look into the Redressal of the shareholders and investors complaints and report the same to the Shareholders'/Investors' Grievance Committee.

## Details of Investor Complaints:

The Corporate Secretarial Department of the Company and Link Intime India Private Limited, the Registrar and Share Transfer Agent (RTA) of the Company attend all the grievances of the shareholders and investors received directly or through Securities and Exchange Board of India (SEBI), Stock Exchanges, Ministry of Corporate Affairs (MCA), Registrar of Companies (ROC) etc.

The details of Complaints received; resolved/pending during the financial year 2010-11 are given below:

Brought Forward: NIL                      Received: 10                      Resolved: 10                      Pending: NIL

No request for share transfer or payment of dividend is pending except those which are disputed.

## EXECUTIVE COMMITTEE:

The Executive Committee has been constituted to look after the general routine matters. The Committee is headed by an independent Director.

## Composition of Executive Committee:-

The Present composition of Executive Committee is as under:

Member's Name	Category	Designation
Dr. Triloki Nath Kapoor	Non Executive Independent Director	Chairman
Mr. Jatender Kumar Mehta	Executive Director	Member
Mr. Krishan Chand Chawla	Executive Director	Member

During the year under review, five (5) Executive committee meetings were held on following dates:

May 12, 2010, September 9, 2010, November 24, 2010, February 9, 2011 and March 15, 2011.

Attendance of members at Executive Committee Meetings:

Member's Name	No. of Meetings attended
Dr. Triloki Nath Kapoor	5
Mr. Jatender Kumar Mehta	5
Mr. Krishan Chand Chawla	5

## PROJECT COMMITTEE:

In order to have better Corporate Governance, the Board of Directors has constituted a project Committee to review, assess and recommend the project proposals to the Board.

### Composition of Project Committee:

The Present composition of Project Committee is as under:

Member's Name	Category	Designation
Dr. Ramesh Chandra Vaish	Non Executive Independent Director	Chairman
Mr. Salil Bhandari	Non-Executive Director	Member
Mr. Atul Raheja	Non Executive Independent Director	Member
Mr. Jatender Kumar Mehta	Executive Director	Member

During the year under review, one Project Committee meeting was held on 31st March 2011.

Attendance of members at Project Committee Meeting:

Member's Name	No. of Meetings attended
Dr. Ramesh Chandra Vaish	1
Mr. Salil Bhandari	1
Mr. Atul Raheja	–
Mr. Jatender Kumar Mehta	1

## GENERAL BODY MEETINGS

Details of the last three Annual General Meetings held are as follows:

Financial Year	Date of AGM	Time	Venue	Whether Special Resolution passed
2009-2010	30.09.2010	11:00 AM	69 KM Stone, Delhi Jaipur Highway, Dharuhera, Distt. Rewari, Haryana-122106	YES
2008-2009	30.09.2009	11:00 AM	69 KM Stone, Delhi Jaipur Highway, Dharuhera, Distt. Rewari, Haryana-122106	NO
2007-2008	30.09.2008	11:00 AM	69 KM Stone, Delhi Jaipur Highway, Dharuhera, Distt. Rewari, Haryana-122106	NO

All the Resolutions, including the special resolution set out in the respective notices were passed by the requisite majority of shareholders.

No Extra-Ordinary General Meeting was held by the Company during the financial year ended 31st March 2011.

## Postal Ballot

During the year 2010-11, in terms of the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the resolution by postal ballot) Rules, 2001, the company has amended its memorandum of Association by inserting new sub-clause no.- 5 relating to Power and Energy business after sub-clause no.- 4 of main object clause no.- IIIA of the company by passing the Special Resolution through Postal Ballot.

Related procedure for voting by postal ballot has been followed by the company. Dr. S. Chandrasekaran, failing him Mr. Rupesh Agarwal, partners of M/s. Chandrasekaran Associates, a firm of Company Secretaries had been appointed as scrutinizers, who conducted this postal Ballot exercise in a fair and transparent manner and submitted their report to the Chairman of the company

## Procedure Followed

- I. The company has issued the postal ballot notice dated 27th March 2010 for passing the above mentioned Special Resolution. The draft resolutions together with the explanatory statement and postal ballot forms and self addressed business reply envelopes were sent to the members and other concerned under certificate of posting;
- II. The company has made an advertisement regarding dispatch of postal ballot notice in Financial Express (English) and Jansatta (Hindi) on 12th day of April 2010.
- III. Members were advised to read the instructions carefully printed on the postal ballot form and return the duly completed form in the attached self- addressed business reply envelope, so as to reach the scrutinizer not later than the close of working hours on 14th May 2010;
- IV. After due scrutiny of all the postal ballot forms received upto the close of working hours on 14th May 2010, Mr. Rupesh Agarwal, partner of M/s Chandrasekaran Associates, a firm of Company Secretaries (the Scrutinizer) submitted his report on Tuesday, 18th May 2010;
- V. The results of the postal ballot were declared by Mr. Krishan Chand Chawla, Whole time director of the company on Thursday, 20th May 2010 at 02:00 P.M. at the Corporate Office of the Company at Plot No.B-26, Institutional Area, Sector-32, Gurgaon, Haryana - 122001. The date of declaration of results was taken as the date of passing of the Resolution. Mr. Krishan Chand Chawla declared that Special Resolution specified in the notice has been passed with requisite majority;
- VI. The results of the postal ballot were published in the newspapers, Financial Express (English) and Jansatta (Hindi) on 21.05.2010.

The detail of voting pattern is as follows:

Particulars	Total No. of Votes received	No. of Votes for witch right is not Exercised	No. of votes have been rejected	Net No. of Valid Votes cast through postal ballot	No. of votes cast in favour of resolution	No. of votes cast in against of resolution
Alteration in Memorandum of Association, by inserting new sub-clause 5 after sub-clause 4	11889253	12554	21915	11854784	11852434	2350

## DISCLOSURES

- i) There is no materially significant related party transaction that may have potential conflict with the interest of the Company at large. Transactions with the related party are disclosed in the notes to the accounts in this Annual Report as per Accounting Standard 18 of the Institute of Chartered Accountants of India.
- ii) There is no non compliance by the Company and no penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- iii) There is no requirement in the Company to maintain Whistle Blower Policy.
- iv) All mandatory requirements of Clause 49 of the Listing Agreement have been complied with by the company.

## MEANS OF COMMUNICATION

- (i) The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Proforma prescribed by Clause 41 of the Listing Agreement.

- (ii) The approved financial results are forthwith sent to the Stock Exchanges where the Company is listed (i.e BSE and NSE) and are published normally in the following Newspapers in accordance with provision of clause 41 of Listing Agreement:-

Particulars	Name of the News paper
English Newspapers in which quarterly/ half yearly/ yearly results were published	Business Standard
Vernacular Newspapers (Hindi) in which quarterly/ half yearly/ yearly results were published	Business Standard

- (iii) The Company's financial results are also displayed on the Company's Website [www.omaxauto.com](http://www.omaxauto.com).
- (iv) The Company is not displaying any official releases. The Company is not making any presentations to Institutional investors or to the Analysts.

## Management Discussion and Analysis Report form part of this Annual Report

The complete Management Discussion and Analysis report is placed in the separate section of the Annual Report.

## GENERAL SHAREHOLDERS' INFORMATION

### 28th Annual General Meeting:

Day & Date	: 30th day of September 2011
Time	: 11.00 AM
Venue	: 69 KM Stone, Delhi-Jaipur Highway, Dharuhera, Distt. Rewari, Haryana-122106
Financial year	: 1st April, 2010 to 31st March, 2011

### Dates of Book Closure

The register of members and share transfer books of the company will remain closed from Monday, 26th day of September 2011 to Friday, 30th day of September 2011, both days inclusive, for the purpose of Annual General Meeting and payment of dividend, if declared.

### Dividend Payment Date

The dividend @ Rs. 2.00/- per equity share of Rs. 10/- each as recommended by the Board of Directors, if declared at the meeting will be paid/ credited/ dispatched between 5th day of October 2011 to 20th Day of October 2011.

- To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the company by National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) as on 25th day of September 2011 after closing of business hours.
- To all those shareholders holding shares in physical form after giving effect to all the valid share transfers lodged with the company / its Registrar and Transfer Agent on or before 25th day of September 2011 before closing of business hours.

For Demat Shareholders and Physical shareholders who have opted for ECS facility, dividend amount will be credited directly to their respective bank accounts through ECS.

### Listing on Stock Exchanges

At present the equity shares of the Company are listed on the following Stock Exchanges.

Name of Stock Exchanges	Stock Code	ISIN With NSDL & CDSL
<b>BSE LIMITED (formerly Bombay Stock Exchange Limited)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	520021	INE 090B01011
<b>National Stock Exchange of India Limited</b> "Exchange Plaza", Bandra- Kurla Complex, Bandra (E) Mumbai- 400 051	OMAX AUTO	

## Listing Fees

The Annual Listing Fees for the Financial Year 2011-2012 has been paid to all the aforesaid Stock Exchanges wherein the equity shares of the Company are listed, within the stipulated time.

## Outstanding GDRs/ADRs/Warrants or any Convertible instruments

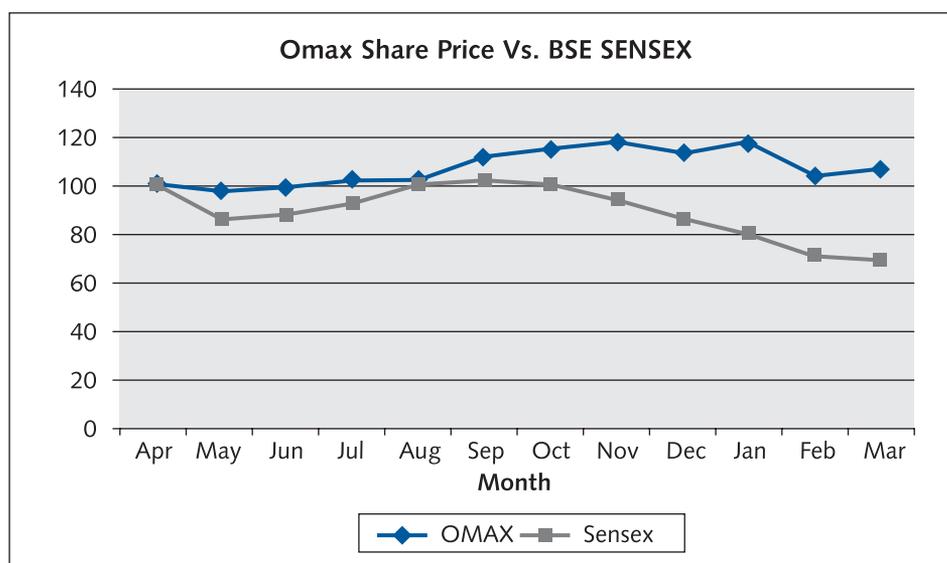
- No GDRs / ADRs have been issued by the Company.
- During the year under review the Company has no outstanding convertible instruments.

## Market Price Data

Monthly High and Low prices of equity shares of Omax at BSE Limited (BSE) and at the National Stock Exchange of India Limited (NSE) during the period under review in comparison to BSE (Sensex) and NSE (Nifty)

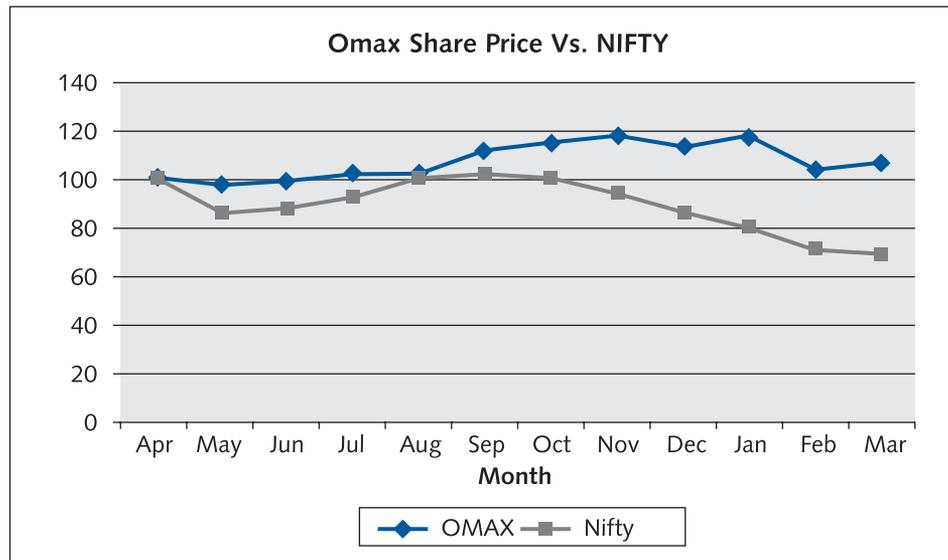
Month	NSE				BSE			
	Share Prices		Nifty		Share Prices		Sensex	
	High	Low	High	Low	High	Low	High	Low
April, 2010	64.45	50.05	5399.65	5160.90	64.60	52.20	18047.86	17276.80
May	57.00	42.05	5278.70	4786.45	56.50	44.30	17536.86	15960.15
June	57.60	50.50	5366.75	4961.05	57.30	51.00	17919.62	16318.39
July	59.40	53.15	5477.50	5225.60	59.80	53.50	18237.56	17395.58
August	65.00	52.50	5549.80	5348.90	65.00	52.55	18475.27	17819.99
Sept	66.20	59.50	6073.50	5403.05	66.20	59.55	20267.98	18027.12
Oct	64.80	59.00	6284.10	5937.10	64.75	59.15	20854.55	19768.96
Nov	60.85	48.15	6338.50	5690.35	61.05	49.50	21108.64	18954.82
Dec	55.50	45.00	6147.30	5721.15	55.50	45.40	20552.03	19074.57
Jan, 2011	51.45	44.05	6181.05	5416.65	52.00	44.10	20664.80	18038.48
Feb	46.35	38.10	5599.25	5177.70	46.00	37.75	18690.97	17295.62
March	45.00	39.00	5872.00	5348.20	44.35	39.00	19575.16	17792.17

## Performance in comparison to broad based indices - BSE SENSEX:



Base 100= April 2010

## Performance in comparison to broad based indices - NSE NIFTY



Base 100= April 2010

### Shareholders Reference

Unclaimed Dividend Pursuant to Section 205A of the Companies Act, 1956 for the financial year 2002-03 has been transferred to the Investors Education and Protection fund (IEPF) established by the Central Government Pursuant to Section 205C of the Companies Act, 1956.

The Dividend for the following years remaining unclaimed will be transferred by the company to IEPF according to the schedule given below. Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to seek issue of duplicate warrant(s) by writing to the Link Intime India Pvt. Ltd. confirming non-encashment/non receipt of dividend warrant(s). Once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

F.Y. Ended	Date of Declaration of Dividend	Last Date for Claim
2003-04	30.11.2004	29.11.2011
2004-05	19.09.2005	18.09.2012
2005-06	26.09.2006	25.09.2013
2006-07	28.09.2007	27.09.2014
2007-08	30.09.2008	29.09.2015
2008-09	30.09.2009	29.09.2016
2009-10	30.09.2010	29.09.2017

### Registrar and Share Transfer Agents (RTA)

M/s Link Intime India Private Limited, New Delhi has been appointed as the Registrar and Share Transfer Agent of the Company for handling the share related work both in physical and electronic form. All correspondence relating to share transfer, transmission, dematerialisation, rematerialisation etc. can be made at the following address.

M/s Link Intime India Private Limited  
 Unit: Omax Autos Limited  
 A-40, 2nd Floor,  
 Naraina Industrial Area,  
 Phase-II, Near Batra Banquet Hall,  
 New Delhi-110028  
 Tel: +91-11-41410592-94  
 Fax: +91-11-41410591  
 E-Mail: delhi@linkintime.co.in

## Share Transfer System

The Company processes the share transfer and other related shareholders services through Registrar & Share transfer Agent (RTA) on a fortnight basis. The share transfer in physical form is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company has a Shareholders' / Investors' Grievance Committee, which meets twice in a month if required, to consider and approve the share transfers and to resolve any query or problem in relation thereto.

## Distribution of Share Holding as on March 31, 2011

Nominal Value of shares (In Rupees)		Number of holders	% to total holders	Total face value (In Rupees)	% to total face value
From	To				
01	2500	9016	65.748	8459030	3.955
2501	5000	1835	13.381	7438890	3.478
5001	10000	1692	12.339	12266560	5.735
10001	20000	645	4.704	9485430	4.435
20001	30000	189	1.378	4941790	2.311
30001	40000	82	0.598	2936930	1.373
40001	50000	67	0.489	3054010	1.428
50001	100000	100	0.729	7200500	3.367
100001	above	87	0.634	158098990	73.919
<b>Total</b>		<b>13713</b>	<b>100.00</b>	<b>213882130</b>	<b>100.00</b>

## Shareholding pattern as on March 31, 2011

S. No.	Category	No. of Shares	% of shareholding
1	<b>Promoters' Holding</b>		
(a)	Indian Promoters	72,73,736	34.01
(b)	Bodies Corporate	38,94,504	18.21
2	<b>Non Promoters' Holding</b>		
(a)	Mutual Funds and UTI	0	0.00
(b)	Banks, FIs, Insurance Companies	0	0.00
(c)	Foreign Institutional Investors	3,711	0.02
(d)	Private Corporate Bodies	3488069	16.31
(e)	Indian Public		
i.	Individual shareholders holding nominal share capital up to Rs 1 lakh	4807973	22.48
ii.	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1012829	4.74
(f)	Non Resident Indians	610396	2.85
(g)	Others	296995	1.38
	<b>TOTAL</b>	<b>21388213</b>	<b>100.00</b>

## Dematerialization of shares and liquidity

The equity shares of the Company are compulsory traded and settled only in the dematerialised form under ISIN No. INE 090B01011. M/s Link Intime India Private Limited, the Company's Registrar & Share Transfer Agent looks after the dematerialization of shares and other related works.

The details of the equity shares of the Company dematerialised as on March 31, 2011 are given hereunder:

Particulars	Number of Shares	Percentage
No. of shares in dematerialised form	13237863	61.89
No. of shares in Physical form	8150350	38.11
<b>Total</b>	<b>21388213</b>	<b>100.00</b>

## Plant Locations

- : **Registered Office & Dharuhera Plant**  
Omax Autos Limited  
69 KM Stone, Delhi Jaipur Highway  
Dharuhera, Distt. Rewari, Haryana-122106
- Sidhrawali Plant**  
Speedomax (A unit of Omax Autos Limited)  
64 KM Stone, Delhi-Jaipur Highway  
Village Sidhrawali, Gurgaon, Haryana-123413
- Manesar Plant**  
Omax Autos Limited  
Plot No. 6, Sector-3,  
IMT Manesar, Gurgaon, Haryana-122050
- Dharuhera Plant - II**  
Indital (A unit of Omax Autos limited)  
69 KM Stone, Delhi-Jaipur Highway  
Dharuhera, Distt. Rewari, Haryana-122106
- Bangalore Plant**  
Omax Autos Limited  
Plot No 6, Bommasandra - Jigani Link Road  
Bommasandra, Bangalore, Karnataka-560099
- Binola Plant**  
Automax (A unit of Omax Autos Limited)  
Delhi Jaipur Highway,  
Village & P.O. Binola, Gurgaon, Haryana-123413
- Dharuhera Plant III**  
Omax Autos Limited - Sprocket Division  
69 KM Stone, Delhi-Jaipur Highway  
Dharuhera, Distt. Rewari, Haryana-122106
- Lucknow Plant**  
Omax Autos Limited  
Tata Motors Vender park  
Chinhat Industrial area  
Deva Road, Lucknow (UP)- 226019
- Bawal Plant**  
Omax Autos Limited  
(Home Furnishing division)  
Plot No. 2, Sector-5, Bawal  
Distt. Rewari, Haryana-123501
- Railway Division**  
Omax Autos Limited  
1 KM, Piyala Road  
Village- Sikri,  
Distt. Faridabad-121004, Haryana.

- Compliance status of clause 49 of Listing Agreement** : The Company has complied with all the mandatory requirements prescribed in the clause 49 of the listing agreement.

## Corporate & Head Office

- Investors Relations Cell & Address for correspondence : Plot No. B-26, Institutional Area,  
Sector-32, Gurgaon (Haryana)-122001  
Phone No: +91-124-4343000 (30 Lines)  
Fax No.: +91-124-2580016  
E-mail: cs@omaxauto.com,  
investors@omaxauto.com

# Certificate on Corporate Governance

To

The Members of Omax Autos Limited

We have examined the compliance of conditions of Corporate Governance by Omax Autos Ltd. for the year ended on 31st March 2011, as stipulated in the Clause 49 of Listing Agreement of the Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been in the manner described in the Guidance Note on Certification issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 based on our reliance upon the representations made by the management that there were no transactions of material nature with the management or relatives that may have potential conflict with the interest of the company at large.

We have been explained that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Company.

We certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that the 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 **A. KUMAR GUPTA & CO.**  
Chartered Accountants

**(A. K. Gupta)**  
Partner

Membership No. 12765

Place: Ludhiana

Date: 6th August 2011

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## Declaration for Compliance with the Code of Conduct

This is to certify that the company has laid down its Code of Conduct for all the Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company - [www.omaxauto.com](http://www.omaxauto.com)

It is hereby affirmed that during the year 2010-11, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Place: New Delhi

Date: 28th May 2011

**Jatender Kumar Mehta**  
(Managing Director)

## THE BOARD OF DIRECTORS OMAX AUTOS LIMITED

We Jatender Kumar Mehta, Managing Director and Aseem Chopra, Acting Chief Financial Officer of the company certified to the Board of Directors that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year 2010-11 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transaction entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.

Further, we accept that it is our responsibility to establish and maintain internal controls for financial reporting. Accordingly, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, wherever applicable.

- (i) deficiencies in the design or operation of such internal controls, if any, which came to our notice and steps have been taken or proposed to be taken to rectify these deficiencies.
- (ii) Significant changes in internal control financial reporting during the year.
- (iii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
- (iv) Instances of significant fraud of which we became 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.

Place: New Delhi  
Date: 28th May 2011

**Aseem Chopra**  
Acting Chief Financial Officer

**Jatender Kumar Mehta**  
Managing Director

## Secretarial Report

To

**The Board of Directors,  
Omax Autos Limited  
69 KM Stone, Delhi- Jaipur Highway  
Dharuhera, Distt.- Rewari,  
Haryana - 122106 India.**

We have examined the registers, records and documents of Omax Autos Limited (the Company) produced before us by the Company and by their registrar and share transfer agents M/s. Link Intime India Private Limited, New Delhi for the purpose of our Secretarial Audit Report for the financial year ended on 31.03.2011 (financial year) in the light of the provisions contained in-

- The Companies Act, 1956 and the Rules made thereunder.
- The Depositories Act, 1996 and the Rules made thereunder and the bye-laws of the Depositories who have been given the requisite Certificates of Registration under the Securities and Exchange Board of India Act, 1992.
- The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder.
- The Securities and Exchange Board of India Act, 1992 and the Rules, Guidelines and Regulations made thereunder including:
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997; and
- The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1999;
- The listing agreement with the National Stock Exchange and with the Bombay Stock Exchange.

- A. Based on our examination and verification of the records made available to us and according to the clarifications and explanations given to us by the Company, its officers and agents, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 1956 and the Rules made thereunder and of the various Acts detailed above and the Rules, Regulations and Guidelines made thereunder, listing agreement and of the Memorandum and Articles of Association of the Company, with regard to:
1. Maintenance of various statutory and non-statutory registers and documents and making necessary changes therein as and when the occasion demands.
  2. Filing with the Registrar of Companies the forms, returns and resolutions.
  3. Service of the requisite documents by the Company on its members, Registrar and Stock Exchanges.
  4. Composition of the Board, appointment, retirement and resignation of directors.
  5. Remuneration of executive and non-executive directors.
  6. Service of notice and agenda of Board Meetings and Meetings of the committee of directors.
  7. Meeting of the Board and its committees.
  8. Holding Annual General Meeting and production of the various registers thereat.
  9. Recording the minutes of proceedings of board meetings, committee meetings, Annual General Meeting and of the postal ballot.
  10. Appointment, change in the appointment and remuneration of Auditors.
  11. Registration of transfer of shares held in physical mode.
  12. Dematerialisation and rematerialisation of shares.
  13. Execution of contracts, affixation of common seal, registered office and the name of the Company.
  14. Requirement of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) regulations 1997.
  15. Requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading regulations) 1999
  16. Requirements set out in the listing agreement with the aforementioned stock exchanges.
- B. We further report that-
- (i) the directors of the Company have complied with the various requirements relating to making of disclosures, declarations in regard to their other directorships, memberships of committees of the board of companies of which they are directors, their shareholding and interest or concern in the contracts entered into by the Company in the pursuing its normal business; and
  - (ii) There was no prosecution initiated against the Company and no fine or penalties were imposed on the company under the aforementioned Acts, Rules, Regulations and guidelines made thereunder or on its directors and officers.

For Chandrasekaran Associates  
Company Secretaries

Dr. S Chandrasekaran  
Senior Partner  
FCS: 1644  
CP : 715

Place: New Delhi  
Date: 6th August, 2011

To The Members of OMAX AUTOS LIMITED

1. We have audited the attached Balance Sheet of Omax Autos Limited, as at 31st March, 2011, the Profit and Loss Account and the Cash flow Statement of the Company for the year ended as on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 [as amended by Companies (Auditor's Report) (Amendment) Order, 2004] issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a Statement on the matters specified in paragraphs 4 and 5 of the said order.

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the Books of Account of the Company;
- d) In our opinion, the Balance Sheet, the 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 the 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 a 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 explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March 2011;
  - In the case of the Profit and Loss Account, of the profit for the year ended on that date, and
  - In the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of  
**A. KUMAR GUPTA & CO.**  
(Chartered Accountants)

Place: New Delhi  
Date : 28th May 2011

**(A.K. GUPTA)**  
PARTNER  
M. No. 12765

## ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in the auditor's report to the members of Omax Autos Limited for the year ended March 31, 2011. We report that:

1. a) The Company is maintaining proper records showing full particulars including quantitative details & situation of fixed assets.
- b) As explained to us, the Company has a system of physical verification, which is designed to cover all assets over a period of three years and in accordance herewith, physical verification of certain fixed assets of the Company was carried out during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No major discrepancy has been noticed during verification.
- c) Fixed assets disposed off during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal off fixed assets has not affected the going concern status of the company.
2. a) According to the information and explanations given to us, the inventory of finished goods, stores, spare parts and raw materials including components have been physically verified by the management during

# Auditors' Report

- the year including for stock lying with third parties. The frequency of such verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material in relation to the operations of the Company and the same have been properly dealt within the books of accounts.
3. a) According to information and explanations given to us, the Company has granted unsecured loans to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, however, Maximum Amount involved is Rs. 166.00 Lacs & Closing Balance is Rs. 30.08 Lacs.
  - b) According to the information & explanations given to us, rate of interest and other terms and conditions of the aforesaid unsecured short term loans given by the Company are not prima facie prejudicial to the interest of the Company.
  - c) In our opinion and according to the information given to us, receipts of principal & interest of the aforesaid unsecured loan are regular.
  - d) During the year, the company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the explanations given to us, there are adequate internal control procedures, commensurate with the size of Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no weakness has been noticed in the internal controls.
  5. a) As per information and explanations given to us, all the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 and need to be entered into the register maintained under that section have been so entered.
  - b) In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five Lacs in respect of any party during the year, have been made at the prices which are reasonable having regard to the prevailing market prices at that time.
6. The Company has not accepted any deposits during the year under report from the public under Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and therefore, the provisions of clause 4(vi) of Companies (Auditor's Report) Order, 2003 (as Amendment) are not applicable to the Company.
  7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
  8. We have broadly reviewed the books of Account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts & records have been kept by the Company so far as appears from our examination of the books of account of the Company.
  9. a) According to the information and explanation given to us and on the basis of our examination of the books of accounts, the Company has been regular in depositing the statutory dues with appropriate authorities. There was no undisputed amount outstanding at the end for a period more than six months from the date they become payable.
  - b) According to the information and explanations given to us, The Disputed Statutory dues aggregating to Rs. 366.20 Lacs. That have not been deposited on account of matters pending before the appropriate authority are as under :

Sr. No.	Nature of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs. in Lacs)
1	Central Excise Act, 1944	Disallowance of Cenvat Credit	CESTAT	2004-05 onwards	303.95
2.	Central Excise Act, 1944	Disallowance of Cenvat Credit	Commissioner/ Dy. Commissioner (Appeal)	2004-05 onwards	62.25

10. The company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institutions or banks.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, during the year under audit.
13. In our opinion, the Company is not a Chit Fund or Nidhi/ Mutual Benefits Fund/Society. Therefore the provision of clause 4 (xii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
14. Based on our audit procedures and according to the information and explanations given to us by the management, the Company has maintained proper records of transactions & contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us by the management, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. Based on our audit procedures and according to the information & explanation given to us, the terms loans were applied for which the loans were obtained.
17. In our opinion and according to the information & explanations given to us, the funds raised on short term basis have not been used for long-term investment.
18. The company has not made any preferential allotment of shares covered in the register maintained under Section 301 of the Companies Act, 1956.
19. During the period covered by our audit report, the Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For and on behalf of  
**A. KUMAR GUPTA & CO.**  
(Chartered Accountants)

Place: New Delhi  
Date : 28th May 2011

**(A.K. GUPTA)**  
PARTNER  
M. No. 12765

# Balance Sheet as at 31st March 2011

(Rupees in lacs)

PARTICULARS	SCHEDULE	Current Year as at 31.03.2011		Previous Year as at 31.03.2010	
<b>SOURCES OF FUNDS</b>					
<b>SHARE HOLDER'S FUND</b>					
Share Capital	1	2,138.82		2138.82	
Reserves & Surplus	2	15,738.71	17,877.53	14,000.14	16,138.96
<b>LOAN FUNDS</b>					
Secured Loan	3	24,656.42		26,518.94	
Unsecured Loans	4	1,686.14	26,342.56	4,585.14	31,104.08
Deferred Tax Liability (Net)	5		1,664.56		1,599.50
<b>TOTAL</b>			<b>45,884.65</b>		<b>48,842.54</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	6	49,772.46		47,886.45	
Less: Depreciation Reserve		19,695.27		17,885.41	
Net Block		30,077.19		30,001.04	
Capital Work in Progress & Advances		3,446.21	33,523.40	5,421.10	35,422.14
<b>INVESTMENTS</b>			-		-
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	7				
Inventories		5,141.10		3,270.53	
Sundry Debtors		13,165.61		12,611.98	
Cash & Bank Balances		5,343.62		4,511.48	
Loans & Advances		7,411.42		5,230.74	
		31,061.75		25,624.73	
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	8				
Current Liabilities		17,256.73		11,371.19	
Provisions		1,443.77		833.14	
		18,700.50		12,204.33	
<b>NET CURRENT ASSETS</b>			<b>12,361.25</b>		<b>13,420.40</b>
<b>MISC. EXPENDITURE</b>			-		-
(To the extent not written off or adjusted )					
<b>TOTAL</b>			<b>45,884.65</b>		<b>48,842.54</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</b>					
	14				

For and on the behalf of the Board of Directors

As per our report of even date  
for A. KUMAR GUPTA & CO.  
Chartered Accountants

ASEEM CHOPRA  
(GM-Finance)

JATENDER KUMAR MEHTA  
(Managing Director)

A. K GUPTA  
(Partner)  
M. No. 12765

DR. TRILOKI NATH KAPOOR  
(Director)

Place: New Delhi  
Date: 28th May 2011

(Rupees in lacs)

PARTICULARS	SCHEDULE	Year Ended 31.03.2011		Year Ended 31.03.2010
<b>INCOME</b>				
SALES & OTHER INCOME	9			
Gross Sales		131,361.45		96,446.95
Less : Excise Duty & Sales Tax		15,679.32		9,937.09
Net Sales			115,682.13	86,509.86
Other Income			1,539.62	1,047.77
			117,221.75	87,557.63
<b>EXPENDITURE</b>				
Cost of Material	10	85,777.65		61,703.34
Personnel Expense	11	11,470.07		9,188.08
Power, Fuel and Lubricants		3,190.86		2,918.23
Manufacturing, Adm. and Selling Expenses	12	7,839.98	108,278.56	5,959.42
79,769.07				
PROFIT FROM ORDINARY ACTIVITIES BEFORE INTEREST, DEPRECIATION AND TAX			8,943.19	7,788.56
Interest and Financial Charges	13		3,405.41	3,231.92
PROFIT FROM ORDINARY ACTIVITIES BEFORE DEPRECIATION AND TAX			5,537.78	4,556.64
Depreciation			2,916.50	2,920.19
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX AND EXCEPTIONAL INCOME			2,621.28	1,636.45
Exceptional income (net) (Refer note 2 (i))			531.68	407.27
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX			3,152.96	2,043.72
Provision for Income Tax				
Current Tax		944.96		457.79
Deferred Tax (Refer Note 2 (j))		65.06	1,010.02	155.55
613.34				
PROFIT FROM ORDINARY ACTIVITIES AFTER TAX			2,142.94	1,430.38
Prior Period Adjustments (Net) (Refer note 2 (k))			(14.03)	(9.73)
NET PROFIT AVAILABLE FOR APPROPRIATION			2,128.91	1,420.65
<b>APPROPRIATIONS</b>				
Proposed Dividend		427.76		320.82
Dividend Distribution Tax		71.05	498.81	54.53
General Reserve			200.00	400.00
Surplus Carried to Balance Sheet			1,430.10	645.30
<b>TOTAL</b>			<b>2,128.91</b>	<b>1,420.65</b>
<b>EARNINGS PER SHARE</b>				
(Equity Shares, par value Rs. 10/- each)				
Basic/ Diluted EPS (Rs.) (Refer note 2(r))			9.95	6.64
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</b>				
	14			

For and on the behalf of the Board of Directors

As per our report of even date  
for A. KUMAR GUPTA & CO.  
Chartered Accountants

A. K GUPTA  
(Partner)  
M. No. 12765

Place: New Delhi  
Date: 28th May 2011

ASEEM CHOPRA  
(GM-Finance)

JATENDER KUMAR MEHTA  
(Managing Director)

DR. TRILOKI NATH KAPOOR  
(Director)

# Schedules Annexed to & Forming Part of the Accounts

(Rupees in lacs)

PARTICULARS	Current Year as at 31.03.2011	Previous Year as at 31.03.2010
<b>SCHEDULE-1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital :</b>		
2,65,00,000 (Previous Year 2,65,00,000)		
Equity Shares of Rs.10/-each	2650.00	2650.00
20,00,000 (Previous Year 20,00,000)		
Equity Shares of Rs.10/-each with Differential Voting Rights	200.00	200.00
1,50,000 (Previous Year 1,50,000)		
12% Optionally Convertible Cumulative Preference Shares of Rs.100/- each	150.00	150.00
	<b>3000.00</b>	<b>3000.00</b>
<b>Issued Subscribed and paid up Capital :</b>		
2,13,88,213 (Previous Year 2,13,88,213)		
Equity Shares of Rs. 10/- each	2,138.82	2,138.82
(Out of the above 1,61,25,000 Equity Shares have been allotted as fully paid-up by way of Bonus Shares by Capitalisation of Share Premium & General Reserve and 78,213 Equity Shares have been allotted as fully paid up in terms of the scheme of amalgamation for consideration other than cash)		
	<b>2,138.82</b>	<b>2,138.82</b>
<b>SCHEDULE-2</b>		
<b>RESERVES AND SURPLUS</b>		
Share Premium	1,568.00	1,568.00
Capital Reserve	207.63	207.63
(Refer note no. 2(d))		
Capital Redemption Reserve	136.53	136.53
General Reserve		
Balance as per last Balance Sheet	10,437.42	9,712.42
Add : Last year Hedge Reserve Account	-	433.48
Add : Current Year Hedge Reserve Account (Refer note no. 2(n))	108.48	(108.48)
Add : Transfer from Profit & Loss A/c	200.00	400.00
	<b>10,745.90</b>	<b>10,437.42</b>
Profit & Loss Account		
Balance as per last Balance Sheet	1,650.56	1,005.26
Add : Transferred from Profit & Loss A/c	1,430.10	645.30
	<b>3,080.66</b>	<b>1,650.56</b>
	<b>15,738.71</b>	<b>14,000.14</b>

(Rupees in lacs)

PARTICULARS	Current Year as at 31.03.2011		Previous Year as at 31.03.2010	
<b>SCHEDULE-3</b>				
<b>SECURED LOANS</b>				
Term Loans (a)				
– United Bank of India	4,229.40		5,900.75	
– Royal Bank of Scotland N.V.	1,260.00		1,860.00	
– ICICI Bank Ltd.	2,555.36		3,285.47	
– DBS Bank Ltd.	3,000.00		–	
– Standard Chartered Bank	2,015.32		–	
– Tata Capital Ltd.	2,430.59	15,490.67	1,476.95	12,523.17
Loans and advances from Banks				
Working Capital Limits (b)				
– State Bank of India	947.82		2,005.06	
– Citi Bank N.A.	1,554.00		2,129.56	
– Royal Bank of Scotland N.V.	–		498.78	
– HDFC Bank Ltd.	–		1,500.00	
– The Hongkong & Shanghai Banking Corporation Ltd.	1,000.00	3,501.82	3,000.00	9,133.40
– Overdraft Against FDR		4,585.41		3,765.96
Vehicle Loan (c)		85.82		–
Sales Tax Deferment (d)		992.70		1,096.41
		<b>24,656.42</b>		<b>26,518.94</b>

- a) Term Loans from United Bank of India are secured by way of first charge/mortgage by deposit of title deeds of Land & Building of Speedomax Plant, Bangalore Plant & Binola Plant and hypothecation of other moveable fixed assets of these plants. Further hypothecation charge on plant and machinery and other moveable fixed assets of Rs. 6.82 crores installed at Manesar plant.
- b) Term Loan from Royal Bank of Scotland is secured by way of first charge/mortgage by deposit of title deed of Land & Building of Corporate Office at Sec.-32, Gurgaon and deposit of title deed of institutional plot no. 2 situated at Faridabad.
- c) Term Loan from ICICI Bank Ltd. is secured by way of first charge/mortgage by deposit of title deed of Land & Building of Dharuhera Plant and hypothecation of other movable assets both present and future.
- d) Term Loan from DBS Bank Limited is secured by way of exclusive first charge /mortgage by deposit of title deed of Land & Building of Sprocket Plant and hypothecation of other moveable fixed assets of Sprocket Plant and Bawal Plant.
- e) Term Loans from Standard Chartered Bank is secured by deposit of title deed of Land & Building of Manesar plant & hypothecation of other moveable assets except hypothecation charge on plant & machinery and other moveable fixed assets of Rs. 6.82 crores installed at Manesar plant and financed by United bank of India under their Term Loan III.
- f) Term Loan from TATA Capital Limited is secured by way of exclusive charge on all the present and future fixed assets (excluding land & building) of Lucknow project and negative lien on the building/ super structure created on the land covered under term loan and equitable mortgage by deposit of title deed of Sector-44, institutional plot, Gurgaon and hypothecation of receivables of Lucknow plant in respect of supply to TATA Motor Ltd.
- g) Cash Credit Working Capital Limits from Banks are secured by way of hypothecation of stock & book debts and further secured by second pari passu charges on fixed assets of Lucknow, Dharuhera, Binola, Bangalore, Speedomax, Sprocket and Manesar unit.
- h) Vehicle Loans are secured by way of hypothecation charge.
- i) Sales Tax Deferment is fully secured by way of bank guarantees.

<b>SCHEDULE-4</b>				
<b>UNSECURED LOANS</b>				
Advances received from customers		63.63		158.75
<b>Short Term Loan</b>				
– Deutsche Bank		–		1,509.00
– Kotak Mahindra Bank Ltd.		–		489.12
– IndusInd Bank Ltd.		1,000.00		–
– HDFC Bank Ltd.		–		1,500.00
<b>Term Loan</b>				
– Kotak Mahindra Bank Ltd.		622.51		928.27
		<b>1,686.14</b>		<b>4,585.14</b>

<b>SCHEDULE-5</b>				
<b>DEFERRED TAX LIABILITY (NET)</b>				
Deferred Tax Liability				
Opening Balance		1,599.50		1,443.95
Add : Deferred Tax for the Year (Refer to Note 2(j))		65.06	1,664.56	155.55
		<b>1,664.56</b>		<b>1,599.50</b>

## SCHEDULE-6 FIXED ASSETS

(Rupees in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 01.04.2010	ADDITIONS	SALE / TRANSFER	TOTAL AS ON 31.3.2011	AS ON 01.04.2010	FOR THE YEAR	ADJUSTMENTS DURING THE YEAR	UP TO 31.3.2011	AS ON 31.03.2011	AS ON 31.03.2010
Land	3,024.95	7.61	(375.64)	2,656.92	-	-	-	-	2,656.92	3,024.95
Building	11,248.61	1,065.95	(430.34)	11,884.22	1,505.21	342.15	(36.62)	1,810.74	10,073.48	9,743.40
Plant & Machinery	24,173.34	3,077.09	(1,400.08)	25,850.35	9,610.47	1,662.69	(310.86)	10,962.30	14,888.05	14,562.87
Dies & Tools	3,946.31	371.48	(841.89)	3,475.90	3,207.30	420.13	(707.24)	2,920.19	555.71	739.01
Furniture & Fixture & Office Equipment	3,464.76	214.31	(25.53)	3,653.54	2,279.79	280.18	(14.50)	2,545.47	1,108.07	1,184.97
Computer & Other Equipment	595.00	81.14	(8.75)	667.39	451.30	72.87	(7.23)	516.94	150.45	143.70
Vehicles	875.00	178.45	(68.15)	985.30	348.67	101.64	(30.19)	420.12	565.18	526.33
Intangible Asset	558.48	40.36	-	598.84	482.67	36.84	-	519.51	79.33	75.81
Total	47,886.45	5,036.39	(3,150.38)	49,772.46	17,885.41	2,916.50	(1,106.64)	19,695.27	30,077.19	30,001.04
Previous Year	41,162.77	7,383.36	(659.68)	47,886.45	15,241.41	2,920.19	(276.19)	17,885.41	30,001.04	25,921.36

### CAPITAL WORK IN PROGRESS & CAPITAL ADVANCES

Capital Advances	3,350.66	3,803.22
Machinery under Installation	37.53	1,128.80
Building under Construction	58.02	404.14
Preoperative Expenses	-	84.94
	<u>3,446.21</u>	<u>5,421.10</u>
	Current Year	Previous Year

(Rupees in lacs)

PARTICULARS	Current Year as at 31.03.2011		Previous Year as at 31.03.2010	
<b>SCHEDULE-7</b>				
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>CURRENT ASSETS</b>				
Inventories (as valued & certified by management) (Refer Note 1 (f))				
Raw Material and components	2,875.51		1,892.36	
Work-in-Progress	1,312.28		860.80	
Finished Goods	575.13		215.31	
Store & Tools	264.94		224.01	
Scrap	113.24	5,141.10	78.05	3,270.53
<b>Sundry Debtors (Unsecured)</b>				
Outstanding over six months				
Considered Good	60.29		99.41	
Considered Doubtful	394.05		408.96	
	454.34		508.37	
Less : Provision	394.05		408.96	
	60.29		99.41	
Other debtors				
Considered Good	13,105.32		12,512.57	
		13,165.61		12,611.98
<b>Cash and Bank Balances</b>				
Cash and Cheques in hand				
	265.06		31.62	
Balance with Schedule Banks				
In Current Account	27.13		35.63	
In Cash Credit Account	228.22		208.54	
Fixed Deposits	4,602.29		4,171.03	
	4,857.64		4,415.20	
Balance with Other Banks				
In Current Account	183.06		33.47	
In Unpaid Dividend Account	37.86		31.19	
	220.92	5,343.62	64.66	4,511.48
<b>LOANS AND ADVANCES</b>				
Advance recoverable in cash or in kind or for value to be received				
Considered Good	7,180.77		5,018.48	
Security Deposits	230.65	7,411.42	212.26	5,230.74
		31,061.75		25,624.73
<b>SCHEDULE-8</b>				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors				
Payable to Micro Small & Medium Enterprises's (Refer Note 2 (e))	-		-	
Others	14,532.14	14,532.14	8,925.05	8,925.05
Interest Payable		40.58		84.40
Other Liabilities		2,646.15		2,222.07
Unclaimed Dividend		37.86		31.19
Provision for fair valuation loss on derivative (Refer note no. 2n)		-		108.48
		17,256.73		11,371.19
<b>PROVISIONS</b>				
Provision for Taxation		944.96		457.79
Proposed Dividend		427.76		320.82
Provision for Dividend Distribution Tax		71.05		54.53
		1443.77		833.14

# Schedules Annexed to & Forming Part of the Accounts

(Rupees in lacs)

PARTICULARS	Year Ended 31.03.2011		Year Ended 31.03.2010	
<b>SCHEDULE- 9</b>				
<b>GROSS SALES &amp; OTHER INCOME</b>				
<b>GROSS SALE</b>				
Sale of finished goods	126,378.69		92,759.03	
Job & Process Charges	502.17		457.60	
Material, Scrap & other Sale	3,996.29		2,841.06	
Export Incentive	484.30		389.26	
		131,361.45		96,446.95
<b>OTHER INCOME</b>				
Cash Discounting	126.91		43.24	
Rent Income	36.57		56.31	
Interest (Including TDS of Rs. 43.73 Lacs, Previous Year TDS Rs. 81.28 Lacs)	753.23		832.25	
Profit on Sale of Fixed Assets	292.46		94.01	
Profit on Sale of Investment	–		14.19	
Misc. Income	330.45		7.77	
		1,539.62		1,047.77
		132,901.07		97,494.72
<b>SCHEDULE-10</b>				
<b>COST OF MATERIAL</b>				
Raw Material and Components consumed				
Opening Stock	1,892.36		1,684.93	
Add : Purchases	84,541.16		58,746.88	
	86,433.52		60,431.81	
Less: Closing Stock	2,875.51	83,558.01	1,892.36	58,539.45
Increase (-) / Decrease in stock of finished Goods and Work in Progress				
Opening Stock	1,154.16		1,863.89	
Less: Closing Stock	2,000.65	(846.49)	1,154.16	709.73
Consumption of Stores & Tools		3,066.13		2,454.16
		85,777.65		61,703.34

(Rupees in lacs)

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>SCHEDULE-11</b>		
<b>PERSONNEL EXPENSES</b>		
Salary,Wages and Allowances	10,821.68	8,654.68
Contribution to Provident Fund and E.S.I	387.51	312.18
Workmen and Staff Welfare	94.77	47.98
Directors remuneration & perks	162.01	168.14
Directors Sitting Fee	4.10	5.10
	<b>11,470.07</b>	<b>9,188.08</b>
<b>SCHEDULE-12</b>		
<b>MANUFACTURING, ADMIN &amp; SELLING EXPENSES</b>		
Outside Job work Expenses	1,630.60	1,325.40
Freight Inward, Cartage and Octroi	267.05	134.20
Packing Material Consumed	1,171.90	972.30
Rent	84.16	65.18
Repair and Maintenance		
Building	58.79	101.59
Plant and Machinery	701.80	493.12
Other	471.34	292.80
Insurance	151.17	175.05
Rate, Fees and Taxes	26.01	37.33
Foreign Exchange Fluctuation loss (Net)	22.83	114.73
Charity and Donation	14.49	8.65
Loss on Sale of Fixed Assets	463.74	17.62
Provision for doubtful debts/ (Written back)	(8.91)	103.96
Selling & Distribution expenses	1,604.41	1,217.99
Other Administrative expenses	1,180.60	899.50
	<b>7,839.98</b>	<b>5,959.42</b>
<b>SCHEDULE-13</b>		
<b>INTEREST AND FINANCIAL CHARGES</b>		
Interest on Term Loan	1,209.02	1,320.12
Interest on working capital	1,390.69	986.79
Cash Discounting Charges	417.04	423.20
Other Financial Charges	101.05	106.37
Currency (gain) / loss	287.61	395.44
	<b>3,405.41</b>	<b>3,231.92</b>

## SCHEDULE 14

### 1. SIGNIFICANT ACCOUNTING POLICIES :

#### (a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The Financial Statements are prepared on accrual basis of accounting under the historical cost convention , in accordance with the mandatory applicable accounting standards issued by The Institute of Chartered Accountants of India and the relevant presentational requirements of the Company Act, 1956.

#### (b) REVENUE RECOGNITION :

The revenue from sale of products is recognised at the point of dispatches of finished goods to the customers.

Export benefits are accounted on an accrual basis.

Interest income is recognised on proportionate basis inclusive of tax deducted at source thereon.

#### (c) FIXED ASSETS :

Fixed assets are stated at cost of acquisition including installation cost. Cost of Acquisition is inclusive of freight, taxes, duties, insurance, interest and other incidental expenses, net of cenvat credits, wherever applicable.

#### (d) INTANGIBLE ASSETS :

Intangible Assets are amortised using Straight Line Method @ 25% p.a as per AS-26 on "Intangible Assets" issued by The Institute of Chartered Accountants of India.

#### (e) DEPRECIATION :

Depreciation on all the fixed assets is provided on pro rata basis by using the straight-line method at rates on double shift basis wherever applicable, in the manner specified in Schedule XIV of the Companies Act, 1956 except in the case of the following assets where depreciation rate is provided at rates indicated against each asset:

Name of assets	Dep. Rates
Dies, Tools & Fixtures	33.33%
Rack, Bins & Trollies	20.00%
Computer	25.00%
Computer Software	25.00%
Furniture & Fixture	10.00%
Office Equipment	10.00%
Vehicle	12.00%
Solar Plant	4.75%

#### (f) VALUATION OF INVENTORIES :

The valuation of Stock is as per Accounting Standard on " Valuation of Inventories" (AS-2) issued by the Institute of Chartered Accountants of India.

Stores & spares parts and loose tools are stated at cost.

Raw material & components, finished goods and work in progress are valued at cost or net realisable value whichever is lower.

Scrap is valued at net realisable value.

The basis for determining the cost of various inventories are as under:

Raw material & Stores Tools – At yearly weighted average cost.

Work in Progress – Material cost plus appropriate portion of labour and production overheads.

Finished Goods & Goods in transit – At cost or net realisable value whichever is less.

Finished Goods and Scrap are inclusive of Excise Duty thereon.

**(g) INVESTMENTS :**

Current Investment are carried at the lower of cost and quoted/fair value, computed category wise. Long term Investment are stated at cost. Provision for diminution in the value of long term Investment, if any, is made only if such a decline is other than temporary in the opinion of management.

**(h) INSURANCE CLAIMS :**

Insurance claims receivable are accounted for depending on the certainty of receipts and are being credited to the respective heads of expenses.

**(i) FOREIGN CURRENCY TRANSACTIONS :**

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of transaction.

Exchange differences arising on foreign currency transaction settled during the year are recognized in the Profit & Loss Account for the year.

All the Monetary items denominated in foreign currency outstanding at the year end are translated at exchange rates prevailing on the date of balance sheet. The resulted exchange difference whether any income or expenses on account of exchange difference either on settlement or on translation are recognised in Profit & Loss Account for the year.

In case of Forward contracts, the differences between the forward rate and the exchange rate on the date of the transaction is recognized in the Profit & loss Account.

**(j) BORROWING COSTS :**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets of new projects are capitalised as 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.

**(k) TAXATION :**

Provision for Income Tax (current tax ) is made on the basis of result of the year at the current rate of tax in accordance with Income Tax Act, 1961. Deferred tax reflect the impact of current year timing difference between taxable income and timing difference of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date as per AS-22 on "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the profit and loss account in the year of change. Deferred tax assets arising from temporary timing difference are recognised to the extent there is a reasonable certainty that the assets can be realised in the future.

**(l) IMPAIRMENT OF ASSETS :**

At each Balance Sheet date, the company reviews, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceed its recoverable amount an impairment loss is recognised in the Profit & Loss account to the extent the carrying amount exceeds the recoverable amount.

**(m) RETIREMENT BENEFITS :**

Liabilities in respect of retirement benefits to employees are provided for as follows:

**(i) Defined Benefit Plan**

Gratuity Liability is computed on the basis of premium paid to LIC of India as per actuarial valuation under Projected Unit Credit Method.

**(ii) Defined Contribution Plans**

Liability for superannuation fund on the basis of the premium paid to LIC of India in respect of employees covered under Superannuation Fund Policy. Provident fund & ESI on the basis of actual liability accrued and paid to authority.

(iii) Provision for due earned leaves are determined using Projected Unit Cost method, with actuarial valuation being carried out at Balance Sheet date. Actual gain / loss arising after such valuation are charged to profit & loss account in the year in which earned leaves are settled.

## 2. NOTES TO THE ACCOUNTS

(Rupees in Lacs)

	Current Year as at 31.03.2011	Previous Year as at 31.03.2010
(a) CONTINGENT LIABILITIES		
(i) Outstanding Guarantees issued by bank	1,025.66	1,266.85
(ii) Excise & Service Tax matters	366.20	301.30
(iii) Letter of credits	395.19	589.83
(iv) Bills discounted	1,000.00	1,998.12
(b) Estimated amount of contracts remaining to be executed on account of capital commitments and not provided for (net of advances)	424.12	611.49
(c) The Company had entered into a Swap transaction of amount in INR into amount in USD. The outstanding amount as on 31st March 2011 is INR.1140.35 lacs (INR 2086.90 lacs Previous Year) and in USD 25.54 lacs (USD 53.05 lacs Previous Year). The probable loss/ gain is dependent on USD/ INR parity at the respective dates of settlement during the span of transaction period upto March 2012. In view of the fact that no precise estimate can be made in this regard, no provision on this has been made.		
(d) The Capital Reserve of Rs. 207.51 lacs represents forfeiture of 10% application money received towards issue of 25 lacs no. convertible share warrants due to non exercise of option of conversion.		
(e) Enterprises covered under the Micro, Small & Medium Enterprises Development Act 2006 have been identified by the company on the basis of information available. There is no outstanding balance payable more than the period stipulated in said act.		
(f) Computation of Net Profit in Accordance with Section 198 of the Companies Act,1956.		

	Current Year	Previous Year
Profit before Tax as per Profit & Loss Account	3,152.96	2,043.72
Add: Directors Remuneration (Including perquisites)	157.01	163.14
Add: (Profit)/Loss on Sale of Fixed Assets (net)	(360.40)	(483.66)
Add: (Profit)/Loss on sale of investment	–	(14.19)
Net Profit as per Section 349 of the Companies Act,1956	2,949.57	1,709.01
Maximum Limit for managerial remuneration to the Directors @ 10% of net profit as above	294.96	170.90
Maximum Limit for commission to non whole time Directors @ 1% of net profit as above	29.50	17.09

(g) Remuneration and perks paid / payable to Directors :

	Current Year		Previous year	
	Mr. Jatender Mehta* (Managing Director)	Others (Directors)	Mr. Jatender Mehta* (Managing Director)	Others (Directors)
Salary	90.00	52.86	90.00	52.24
Perks	11.54	2.61	9.75	11.15
Commission	–	5.00	–	5.00
Provident Fund	10.80	2.59	10.80	2.59
	<b>112.34</b>	<b>63.06</b>	<b>110.55</b>	<b>70.98</b>

\*Note : The total remuneration of Managing Director, Mr. Jatender Mehta had been passed by shareholders in the Annual General Meeting held on 30.09.2010 and approved by Ministry of Company Affairs vide letter dated 18th April 2011, valid up to 31st December, 2013 for Rs. 126 lacs p.a.

(h) Auditor's Remuneration paid/payable during the year

	Current Year	Previous Year
Audit fee	4.50	3.25
Tax audit fee	1.50	1.25
Certification fee	1.00	1.00
Reimbursement of expenses	1.62	1.31
Total	<b>8.62</b>	<b>6.81</b>

(Rupees in Lacs)

	Year Ended 31.03.2011	Year Ended 31.03.2010
(i) Exceptional income		
Profit/(Loss) on Sale of Land & Behrampur warehouse		
Sale Consideration (a)	1301.05	472.80
Cost of the assets sold	805.98	65.53
Less: Accumulated Book Depreciation	36.61	–
Book Value Net	769.37	65.53
Total cost of sale (b)	769.37	65.53
Net Profit (a – b)	<u>531.68</u>	<u>407.27</u>
(j) Deferred Tax (AS-22)		
The break up of the net deferred tax liability arising on account of timing difference as on 31st March,2011 is as under :		
<b>Deferred tax liability-</b>		
Depreciation	146.43	237.88
Others	232.98	178.90
Total Deferred tax liability (i)	<u>379.41</u>	<u>416.78</u>
<b>Deferred tax assets-</b>		
Others (ii)	<u>314.35</u>	<u>261.23</u>
Net deferred tax asset/(liability) (ii)-(i)	<u>(65.06)</u>	<u>(155.55)</u>
(k) Prior period adjustments		
(i) Excess Provision for Taxation & other items pertain to previous year	1.19	8.97
(ii) Others	12.84	0.76
Total (Net)	<u>14.03</u>	<u>9.73</u>

(l) Gross turnover is net of inter unit transfer of Rs. 7228.91 Lacs (Previous Year 09-10 Rs. 5981.15 Lacs).

(m) Gross turnover includes direct & deemed exports of Rs 10710.72 Lacs (Previous Year 09-10 Rs. 8500.33 Lacs).

(n) The Company had taken derivative option for hedging of foreign currency exposure against exports. Due to derivative option the outstanding Mark to Market (MTM) loss as on 31.03.2011 in Dollar is USD NIL (previous year USD 2.40 lacs) and equivalent amount MTM in INR is Rs. NIL Lacs (previous year Rs. 108.48 lacs). The company has created a Provision for Fair Valuation Loss on Derivatives of Rs. NIL (previous year Rs. 108.48 lacs) under current liabilities & provisions and has correspondingly debited the amount in Hedge Reserve account under Reserve & Surplus.

(o) The Company Disposed Off its subsidiary " Omax Engineering Services Ltd " , there being no activity / business commenced.

(p) Related Party Disclosure as required under Accounting Standard-18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are given below :

**1) Relationship :**

a) Key management Personnel & their Relatives :

Mr. Jatender Kumar Mehta	Managing Director
Mrs. Kiran Mehta	Wife
Mr. Devashish Mehta	Son
Mrs. Sakshi Kaura	Daughter
Mrs. Sandhya Katyal	Daughter
Mr. Ravinder Kumar Mehta	Managing Director
Mrs. Usha Mehta	Wife
Mrs. Ekta Dewan	Daughter
Mrs. Sarika Dhanda	Daughter
Mr. Varun Mehta	Son
Smt. Raj Dulari	Mother
Mr. S.M. Mehta	Brother
Mr. S.K. Mehta	Brother
Mr. K.C. Chawla	Whole Time Director
Mrs. Savita Chawla	Wife
Mrs. Deepti Kumar	Daughter
Ms. Ridhima Chawla	Daughter

b) Entities over which key management personnel and their relatives are able to exercise significant influence.

- i) Forerunner Capital Investments Limited
- ii) Green Systems Limited
- iii) Mehta Engineers Limited
- iv) Omax Bikes (P) Limited
- v) Omax Fusions Limited
- vi) Vishal Engineers
- vii) Autotech Components (P) Ltd.
- viii) J.K. Mehta (HUF)
- ix) R.K. Mehta (HUF)
- x) S.K. Mehta (HUF)
- xi) S.M. Mehta (HUF)
- xii) Gurgaon Energy & Infrastructure Ltd.
- xiii) Haridwar Estates Pvt. Ltd.
- ix) B.G.J.C & Associates

- 2) The following transactions were carried out with related parties in the ordinary course of business and on arms length basis.

	(Rupees in Lacs)	
	Current Year as at 31.03.2011	Previous Year as at 31.03.2010
<b>Purchase of Goods from Associate Parties</b>		
Omax Fusion Ltd.	6.88	611.21
Mehta Eng. Ltd.	1,494.68	1,219.88
Autotech Components P Ltd.	2,002.36	1,696.79
Green Systems Ltd.	12.60	-
<b>Sale of Goods incl Jobwork to Associate Parties</b>		
Omax Fusion Ltd.	1.05	0.77
Autotech Components P Ltd.	0.50	1.29
<b>Sale of Fixed Assets to Associate Parties</b>		
Omax Fusion Ltd.	-	0.23
Autotech Components P Ltd.	-	0.18
<b>Interest Recd. From Associate Parties</b>		
Omax Fusion Ltd.	7.93	8.09
Mehta Eng. Ltd.	3.14	-
<b>Rent Paid (Relatives of Key Management Personnel)</b>		
Mrs. Kiran Mehta	36.49	36.49
Omax Fusion Ltd.	28.00	12.60
<b>Consultancy Charges (Associates party)</b>		
B.G.J.C & Associates	8.27	-
<b>Advance Against Purchase of Land (to Associate Parties)</b>		
Haridwar Estates Pvt. Ltd.	-	55.29
<b>Advance recovered against Purchase of Land (to Associate Parties)</b>		
Haridwar Estates Pvt. Ltd.	85.00	-
<b>Loans/Advance paid to Associate Parties</b>		
Mehta Eng. Ltd.	100.00	-
<b>Loans/Advance recovered from Associate Parties</b>		
Omax Fusion Ltd.	35.92	8.50
Mehta Eng. Ltd.	100.00	-
Autotech Components P Ltd.	-	6.00
<b>Dividend</b>		
Key Mangement Personnel	40.04	26.64
Relatives of Key Mangement Personnel	18.88	14.56
Associate Parties	85.38	54.84
<b>Directors Remuneration &amp; Perks</b>		
Director's remuneration	157.01	163.14
Chairman Commission	5.00	5.00

(q) **SEGMENT REPORTING:**

The company is primarily engaged in the business of Auto Components for Two Wheeler and Four wheeler industry, which are governed by the same set of risk and returns. As the company's business activity falls within a single primary business segment, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" issued by The Institute of Chartered Accountants of India are not applicable. Exports being less than 10% ,Geographical segment reporting is also not required.

(r) **Basic/Diluted EPS**

	Current Year	Previous Year
(i) Net Profit (Rs in lacs) available for equity shareholders	2,128.91	1,420.65
(ii) Weighted Average No. of equity shares	21,388,213	21,388,213
(iii) Basic / Diluted Earning per share (Rs.) (Equity Share of face value of Rs.10 each)	9.95	6.64
(iv) Nominal Value of Share (Rs.)	10.00	10.00

(s) Previous Year's figures have been regrouped, rearranged & recasted wherever necessary to make them comparable with the current year's figures.

(t) Figures has been rounded off to the nearest Lacs Rupees.

(u) Schedule 1 to 14 form an integral part of Balance Sheet.

# Schedules Annexed to & Forming Part of the Accounts

(v) REPORT UNDER AS – 15 (REVISED 2005) AS ON 31/03/2011 IN RESPECT OF GGCA SCHEME  
MP no. 312344

	As at 31/03/2011	As at 31/03/2010
<b>1 Assumptions</b>		
Discount Rate	8.0%	8.0%
Salary Escalation	3%	3%
<b>2 Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of year	40,837,437	36282235
Interest cost	3,266,995	2,902,579
Current Service Cost	4,153,651	3,611,687
Benefits Paid	(4,709,947)	(5,472,512)
Actuarial (gain)/Loss on obligations	7,199,400	3,513,448
Present value of obligations as at end of year	50,747,536	40,837,437
<b>3 Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	37,834,853	32,223,898
Expected return on plan assets	4,239,508	3,416,459
Contributions	10,642,219	7,667,008
Benefits paid	(4,709,947)	(5,472,512)
Actuarial Gain/(Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	48,006,633	37,834,853
<b>4 Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	37,834,853	32,223,898
Actual return on plan assets	4,239,508	3,416,459
Contributions	10,642,219	7,667,008
Benefits Paid	(4,709,947)	(5,472,512)
Fair value of plan assets at the end of year	48,006,633	37,834,853
Funded status	(2,740,903)	(3,002,584)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	NIL	NIL
<b>5 Actuarial Gain/Loss recognized</b>		
Actuarial gain/(Loss) for the year -Obligation	7,199,400	3,513,448
Actuarial gain/(Loss) for the year - plan assets	NIL	NIL
Total gain/(Loss) for the year	(7,199,400)	(3,513,448)
Actuarial gain/(Loss) recognized in the year	(7,199,400)	(3,513,448)
<b>6 The amounts to be recognized in the balance sheet and statements of profit and loss</b>		
Present value of obligations as at the end of year	50,747,536	40,837,437
Fair value of plan assets as at the end of the year	48,006,633	37,834,853
Funded status	(2,740,903)	(3,002,584)
Net Asset/(liability) recognized in balance sheet	2,740,903	3,002,584
<b>7 Expenses Recognised in statement of Profit &amp; loss</b>		
Current Service cost	4,153,651	3,611,687
Interest Cost	3,266,995	2,902,579
Expected return on plan assets	(4,239,508)	(3,416,459)
Net Actuarial (gain)/Loss recognised in the year	7,199,400	3,413,448
Expenses recognised in statement of Profit & loss	10,380,538	6,611,255

**ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE-VI OF THE COMPANIES ACT, 1956**
**(A) Particulars in respect of licensed goods manufactured**

Class of Goods	Unit of Quantity	Licensed capacity		Installed capacity		Actual Production	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sheet Metal ,Tubular & Machined Components	Tonnes	N.A.	N.A.	N.A.	N.A.	116937.94	99719.16
Dies	Pcs.	N.A.	N.A.	N.A.	N.A.	8.00	73.00

**(B) Particulars in respect of opening stock,closing stock and sales of licensed finished goods produced**

Rs. In lacs

Class of Goods	Unit of Quantity		Opening Stock as on 01.04.2010		Sales		Closing stock as on 31.03.2011	
			Quantity	Value	Quantity	Value	Quantity	Value
Sheet Metal ,Tubular & Machined Components Dies	Tonnes	Current Year	215.08	213.90	116,669.53	126,322.09	483.49	575.13
		Previous Year	381.34	988.09	99,957.42	92,759.03	216.08	215.31
	Pcs.		1.00	1.41	9.00	56.60	0.00	0.00
				215.31		126,378.69		575.13

**(C) Analysis of raw material and components consumed (on derived method)**

Rs. In lacs

Class of Goods	Unit of Quantity	Year Ended 31.03.2011		Year Ended 31.03.2010	
		Quantity	Value	Quantity	Value
Sheet	Tonnes	35,682.00	13,956.93	25,571.00	10,948.93
Tubes	Tonnes	11,944.00	11,413.02	12,338.00	7,487.07
MS Round, Bar & Wire	Tonnes	5,244.00	1,755.78	3,937.00	1,395.02
Bought Out Goods	Tonnes	78,263.00	50,815.09	71,944.00	34,042.06
Chemical & Paints	Assorted		5,572.50		4,626.88
Die Material & Consumables	Assorted		44.69		39.49
		131,133.00	83,558.01	113,790.00	58,539.45

**(D) Value of raw material and stores (including components, spares & packing material consumed)**

Class of Goods	Classification	Current Year		Previous Year	
		%	Value	%	Value
Sheet	Imported	1.58	219.85	4.04	442.78
	Indigenous	98.42	13737.08	95.96	10506.15
Tube	Imported	0.14	16.37	0.00	Nil
	Indigenous	99.86	11396.65	100.00	7487.07
Bar, Round & Wire	Imported	0.00	Nil	0.00	Nil
	Indigenous	100.00	1755.78	100.00	1395.02
Bought out Goods	Imported	1.02	518.04	0.00	Nil
	Indigenous	98.98	50297.05	100.00	34042.06
Electroplating - Chemicals & Paints	Imported	0.00	Nil	0.00	Nil
	Indigenous	100.00	5572.50	100.00	4626.88
Die Material & Consumables	Imported	0.00	Nil	0.00	Nil
	Indigenous	100.00	44.69	100.00	39.49
Consumables store, tools & packing material	Imported	0.88	37.19	2.70	92.41
	Indigenous	99.12	4200.84	97.30	3334.05
			87796.04		61965.91

(Rupees in Lacs)

	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>(E) Value of Imports on CIF Basis</b>		
Raw Material	754.26	442.78
Capital Goods	199.36	388.04
Consumables	37.19	92.41
<b>(F) Expenditure incurred in foreign currency</b>		
Professional & Technical fees	3.90	6.13
Commission	–	2.77
Travelling Expenses	0.41	0.12
Export / Business Promotion Expenses	9.08	8.80
Freight & packaging	–	0.00
Testing Charges	4.37	3.41
Warranty claim rejections	0.56	4.51
Segregation Charges	0.57	–
Books & Periodical	0.73	–
Dividends*	–	–
<b>(G) Foreign currency earnings</b>		
FOB Value of Exports	1,243.46	1,527.01

\*All payments are made in Indian rupees.



# Cash Flow Statement for the Period Ended 31st March, 2011

(Rupees in lacs)

PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>A. Cash Flow From Operating Activities</b>		
(i) Net Profit before Tax & Extraordinary Items	3,152.96	2,043.72
Adjustment for:		
Depreciation	2,916.50	2,920.19
Prior Period Adjustments	(14.03)	(9.73)
(Profit) /Loss on sale of investment	–	(14.19)
(Profit)/Loss on Sale of Fixed Assets	(360.40)	(483.66)
Interest & other financial charges	3,405.41	3,231.92
(ii) Operating Profit before Working Capital Changes	9,100.44	7,688.25
Adjustment for:		
Trade & Other Receivable	(553.64)	(3,684.57)
Inventories	(1,870.57)	359.12
Trade Payables	5659.69	390.51
Loans & Advances	(1,214.77)	1,160.80
(iii) Cash Generated from Operations	11,121.15	5,914.11
Direct Taxes Paid	(965.91)	(327.51)
(iv) Net Cash Flow from Operating Activities	10,155.24	5,586.60
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(3,446.50)	(5,335.57)
Sale of Fixed Assets	2,404.14	867.15
Sale of Investment	–	74.19
Refund of Capital Advances	385.00	–
Net Cash Used in Investing Activities	(657.36)	(4,394.23)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Unsecured Loans	1,000.00	3,355.87
Repayment of Unsecured Loans	(3,593.24)	–
Proceeds from Long term Borrowings	6,601.14	1,000.00
Repayment of Long Term Borrowings	(3,957.29)	(2,853.11)
Bank Overdraft limits/Demand loan	(4,812.13)	1,321.49
Interest & financial charges	(3,405.41)	(3,231.92)
Dividend & Tax	(498.81)	(375.35)
Net cash Used in Financing Activities	(8,665.74)	(783.02)
<b>Net Increase/ (Decrease) in Cash</b>	<b>832.14</b>	<b>409.35</b>
<b>Cash &amp; Cash Equivalent as on 01.04.2010</b>	<b>4,511.48</b>	<b>4,102.13</b>
<b>Cash &amp; Cash Equivalent as on 31.03.2011</b>	<b>5,343.62</b>	<b>4,511.48</b>

- Notes: 1. Above Statement has been prepared in Indirect Method.  
2. Cash and Cash equivalents consists of Cash in hand and balances with Banks.

## Auditors' Certificate

We have examined the attached Cash Flow Statement of OMAX AUTOS LIMITED for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of listing agreement Clause No. 32 and is based on and in agreement with the corresponding Profit & Loss A/c and Balance Sheet of the Company covered by our report of 28th May 2011 to the members of the Company.

For A. KUMAR GUPTA & COMPANY  
Chartered Accountants

A.K.Gupta  
(PARTNER)  
M.No. 12765

Place : New Delhi  
Date : 28th May 2011

**OMAX AUTOS LIMITED**Registered Office: 69 K.M. STONE, DELHI JAIPUR HIGHWAY,  
DHARUHERA, DISTT. REWARI, (HARYANA)**PROXY FORM**

For Physical Holding	For Electronic Form (Demat) NSDL/CDSL		No. of Shares Held
LF No.	DP ID	CLIENT ID	

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a Member/Members of Omax Autos Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
or falling him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy  
to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday,  
September 30, 2011 at 11.00 A.M. at the Registered Office of the Company at 69 K.M. Stone, Delhi-Jaipur Highway, Dharuhera,  
District Rewari, Haryana -122106 and at any adjournment thereof.

Signature \_\_\_\_\_ Day of \_\_\_\_\_ 2011.

Affix  
Re. 1/-  
Revenue  
Stamp

## Notes:

1. Please affix revenue stamp for appropriate value and sign across the stamp.
2. The Proxy Form must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for convening the meeting.
3. All alterations made in Proxy Form should be initialed.

**OMAX AUTOS LIMITED**Registered Office: 69 K.M. STONE, DELHI JAIPUR HIGHWAY,  
DHARUHERA, DISTT. REWARI, (HARYANA)**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall

For Physical Holding	For Electronic Form (Demat) NSDL/CDSL		No. of Shares Held
LF No.	DP ID	CLIENT ID	

I hereby record my presence at the Annual General Meeting of the Company, being held on Friday, the 30th September, 2011  
at 11.00 A.M. at the Registered Office of the Company at 69 K.M. Stone, Delhi Jaipur Highway, Dharuhera, Distt. Rewari,  
Haryana-122106.

FULL NAME OF THE MEMBER/JOINT MEMBER(S)/PROXY (IN BLOCK CAPITAL LETTERS):

--

IF PROXY FULL NAME OF MEMBER/JOINT MEMBER(S) (IN BLOCK CAPITAL LETTERS):

--

\_\_\_\_\_  
Signature of Member/Joint Member(s)/Proxy



## ECS MANDATE FORM

To

M/s Link Intime India Private Ltd.  
(formerly Intime Spectrum Registry Ltd.)  
A-40, IInd Floor  
Naraina Industrial Area,  
Phase-II, Near Batra Banquet Hall,  
New Delhi - 110 028

FOR SHARES HELD IN PHYSICAL MODE

Please complete this form and send to the  
Company's Registrar & Transfer Agents'  
Office mentioned herein.

FOR SHARES HELD IN ELECTRONIC MODE

Please inform your DP's directly.

I hereby consent to have the amount of dividend on my equity shares credited through the Electronic Clearing Service (Credit Clearing) - (ECS). The particulars are :

1. Folio No./ Client ID No./Cert. No. :
2. Name of 1st Registered Holder :
3. Bank Details:
  - \* Name of Bank :
  - \* Full Address of the Branch :
  - \* Account Number :
  - \* Bank Ledger No./ Bank Ledger Folio No. :
  - \* Account Type : (Please tick the relevant box for Savings Bank Account, Current Account or Cash Credit A/c)

10 -Savings	11- Current	12 - Cash Credit
-------------	-------------	------------------

- \* 9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank (Please attach a photocopy of a Cheque for verifying the accuracy of the code number) :

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

\_\_\_\_\_  
(Signature of the Registered Holder as per  
the specimen signature with the Company)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date : / / 2011



**FORM 2B**  
**NOMINATION FORM**

(To be filled in by individual(s) applying singly or jointly)

I/ We \_\_\_\_\_ and \_\_\_\_\_ and  
\_\_\_\_\_ the holder(s) of Shares/Debentures/Deposit Receipt bearing number(s) \_\_\_\_\_

of M/s. \_\_\_\_\_ wish to make a nomination and do hereby nominate the following persons(s) in whom all rights of transfer and/or amount payable in respect of shares or debentures of deposits shall vest in the event of my/our death.

Name(s) and Address(es) of Nominee(s)

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Date of Birth : \_\_\_\_\_

(\* to be furnished in case the nominee is a minor)

\*\* The Nominee is a minor whose guardian is

Name and address \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(\*\* To be deleted if not applicable)

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Date : \_\_\_\_\_

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Date : \_\_\_\_\_

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Date : \_\_\_\_\_

Address, Name and Signature of two witnesses :

Name and Address

1. \_\_\_\_\_

2. \_\_\_\_\_

**Instructions :**

1. The Nomination can only be made by individuals applying/holding shares/debentures on their own behalf singly or jointly, Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, Holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form. Space is provided as a specimen. If there are more joint holders more sheets can be added for signatures of holders of shares/debentures and witness.
2. A minor can be nominated by a holder of shares/debentures/deposits and in that event the name and address of the guardian shall be given by the holders.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.
4. Nomination stands rescinded upon transfer of share/debenture or repayment/renewal of deposits made.



**OMAX AUTOS LIMITED**  
69 KM Stone, Delhi Jaipur Highway, Dharuhera,  
Distt. Rewari, Haryana-122106

Dear Shareholder,

**Re: Green Initiative in Corporate Governance: Go Paperless**

As a part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India vide its Circular Nos. 17/2011 and 18/2011, dated April 21 and April 29, 2011 respectively, has allowed companies to send official documents and Annual Reports comprising of Notice of General Meeting(s), Audited Financial Statements, Director's Report, Auditor's Report etc. as required under section 219 of the Companies Act, 1956, to their shareholders electronically.

It is a welcome move for the society at large, as this will reduce paper consumption, help to conserve forest cover and allow public at large to contribute towards a green environment. It will also ensure prompt receipt of communication and avoid loss in postal transit.

This is also a golden opportunity for every shareholder of the company to register his e-mail ID to receive communication through electronic mode.

Keeping in view the spirit of the circular issued by MCA, and to support the Green Initiative being environment friendly, we propose to send documents like the Notice convening the General Meeting(s), Financial Statements, Directors' Report, Auditors' Report and other communication, in electronic form, to the email addresses provided by you and made available to us by the Depositories.

Please note that from the FY 2011-12 onwards all the documents mentioned above will be sent through e-mail. If you still intend to receive the copies of the documents in printed (hard copy) form, kindly intimate the Company or RTA, accordingly a printed copy of the Annual Report will be sent to your registered address.

In case you are agreed to receive the communication/ documents in electronic form:

- If you are holding the shares in Demat form and you have not registered your email id with the depository participant or want to change your email id in our records, you are requested to register your e-mail id with the depository participant at the earliest and write to the company conveying your acceptance to the proposal by mentioning Name of 1<sup>st</sup> Registered Holder, LF No./ Client ID etc. at **investors@omaxauto.com**; and
- If you are holding shares in physical form, you may please provide your e-mail id and write to the company conveying your acceptance to the proposal by mentioning Name of 1<sup>st</sup> Registered Holder, LF No./ Client ID etc. at **investors@omaxauto.com**

Further, please note that the full text of these reports will also be made available on our website: **<http://www.omaxauto.com>**

Let us be part of the 'Green Initiative' taken by MCA and your Company's desire to participate in such initiative.

Thanking you

Yours sincerely,

For **Omax Autos Limited**

**Jatender Kumar Mehta**  
(Managing Director)

**OMAX**

Passionate about Performance

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**OMAX AUTOS LIMITED**

**Corporate Office:**

Plot No. B-26, Institutional Area, Sector 32, Gurgaon - 122001

Phone: +91-124-4343000 Fax: +91-124-2580016

**Website: [www.omaxauto.com](http://www.omaxauto.com)**