THEY SAID WE WOULD NEVER MAKE IT...

ORIENT BELL LIMITED

(FORMERLY ORIENT CERAMICS AND INDUSTRIES LIMITED)

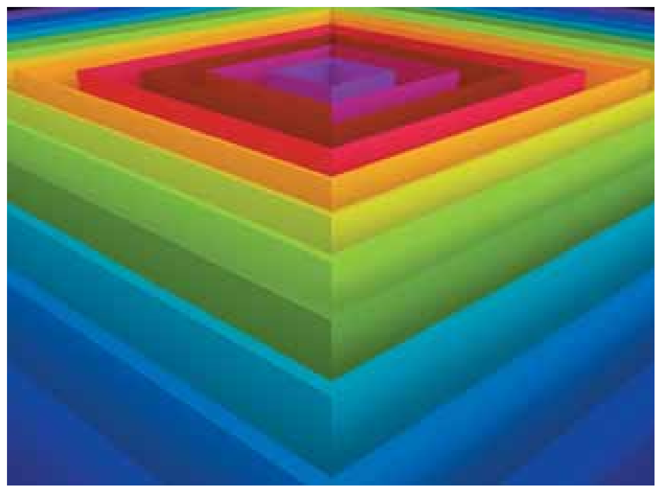
ANNUAL REPORT 2011-12

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document contains statements about expected future events and financial and operating results of Orient Bell Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Orient Bell Limited annual report 2011-12.

Orient Ceramics and Industries Ltd. acquired Bell Ceramics Limited on 29th December, 2010 and had proceeded to merge Bell Ceramics Limited with itself. The merger was completed on 30th March, 2012. Therefore, the figures of FY 2011-12 are for the merged entity – Orient Bell Limited, whereas the figures of FY 2010-11 are of erstwhile Orient Ceramics And Industries Limited only before merger.

INSIDE THE REPORT



...WE ALREADY DID!

This is the first annual report of the post-acquisition Orient Bell Limited. A coming together of Orient Ceramics And Industries Limited and Bell Ceramics Limited. One with a long profitable track record and the other with an under-performing one.

This challenging integration could not have come at a more difficult time. When offtake was slowing. When debt costs were rising. When the capital markets were weakening.

Industry experts doubted. Lenders worried. Stakeholders fretted. Naysayers had a field day.

It is a measure of the rich management and industry experience of Orient Bell Limited to have countered challenging realities with a 86.77% growth in revenues and a 37.8% rise in profit after tax in 2011-12.

Resulting in attractive growth in our parent organisation and a turnaround in the acquired company within 15 months of assuming management control.

They said we would never make it...... we already did.

ORIENT CERAMICS AND INDUSTRIES LIMITED ACQUIRED BELL CERAMICS LIMITED IN DECEMBER 2010.

ORIENT BELL LIMITED NOW POSSESSES MANUFACTURING LOCATIONS IN NORTH, WEST AND SOUTH INDIA.

THE ONLY INDIAN COMPANY WITH A DIRECT PAN-INDIAN PRESENCE.

MANUFACTURING ONE OF INDIA'S LARGEST PORTFOLIOS OF CERAMIC AND VITRIFIED TILES.

Origin: Orient Ceramics and Industries Limited (now Orient Bell Limited) was established in 1977 and acquired in 1993 by Mr. M.K. Daga, a first generation entrepreneur and existing promoter.

Business: Orient Bell Limited is India's largest ceramic tiles manufacturer with a capacity of 80,000 sq. m per day and an all-India market share of 12.08%.

Presence: The Company is headquartered in New Delhi and present pan-India through a network of five Orient Tile Boutiques (Company-owned and operated), 2,184 dealers and 8,000+ sub-dealers, around 40 sales depots, presence across all 13 Home Town stores and 20 franchisees/ OTBs and numerous dealers displaying our tiles.

Products: The Company provides ceramic and vitrified floor tiles, wall tiles and highlighters in various sizes, colours and designs. The Company filed patents for its 'Forever Tiles' (highest abrasion-resistant tile surface) and 'Germ-free Tiles' (germ-resistant) that kills >99.5% of common disease causing bacteria.

USP: The Company is the only one in the Indian industry to have a full time European designer and a design studio in Castellon, Spain, for product design and development.

Listing: Equity shares listed on the Bombay and National Stock Exchanges; market capitalisation of ₹ 57.39 cr (31 March 2012).

Certifications: ISO 9001:2008, ISO 14001:2004 and OHSAS 18001-approved manufacturing facilities; CE certification for quality management systems (QMS); member of the Indian Green Building Council (IGBC).

Key customers: DLF, Unitech, Parsvnath, Sobha Developers, BPTP, Rahejas, L&T, Rites, CPWD, MES and AAI, among several others; extended décor solutions to Europe, Southeast Asia, the Middle East and SAARC countries.

Showpiece projects: Provided design expertise to prestigious institutions/edifices like the Rashtrapati Bhavan, Delhi High Court, Delhi Metro Rail Corporation stations, new Kolkata airport and ITC Sonar (Kolkata), among several others.

Asset portfolio

Location	Land spread (acres)	Annual installed capacity (mn sq. m)	Product portfolio	Production, 2011-12 (mn sq. m)	Sales, 2011-12 (mn sq. m)	Plant USP	Outlook
Sikandrabad, Uttar Pradesh	40 acres	14	20x20, 20x30, 30x45, 30x60, 25x37.5 cm wall tiles and 30x30, 40x40, 60x60 cm floor tiles	12.71	13	All kind of wall and floor tiles under one roof. Digital technology for tile decorations. Plant with ISO 9001,14001 and 18001 certificates and first ceramic plant in India to have carbon credits.	
Dora, Gujarat	117365 sq mtr	6.2	30x30 and 40x40 cm floor tiles	2.86	2.92	Ideally located to cater western markets. Plant utilising economically priced APM gas.	
Hoskote, Karnataka	35.8 acres	8.4	30x30,40x40 and 50x50 cm floor tiles	6.84	6.88	Unique in India; utilised the 'dry' process in tile manufacture thereby keeping production costs low	Expect to operate on natural gas from 2013 end

KEY FINANCIAL NUMBERS

86.77%
REVENUE GROWTH

2011-12
₹ 585.32 cr

2010-11
₹ 313.40 cr

92.99%
EBIDTA GROWTH

2011-12
₹ 50.99 cr

2010-11
₹ 26.42 cr

66.13%
CASH PROFIT GROWTH

2011-12
₹ 32.48 cr

2010-11
₹ 19.55 cr

31.58%
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS

2011-12
₹ 10.04 cr

2010-11
₹ 7.63 cr

37.87%
NET PROFIT GROWTH

2011-12
₹ 13.47 cr

2010-11
₹ 9.77 cr

3 BPS
RONW GROWTH

2011-12
9%

2010-11
8.7%

84 BPS
ROCE GROWTH

2011-12
14.2%

2010-11
5.8%

KEY HIGHLIGHTS, 2011-12

- Turned Bell Ceramics around within only 18 months of takeover. Bell operations made a profit in F.Y. 2011-12.
- Achieved 80.87% growth in sales to 26.16 mn sq. m.
- Average tiles realisations increased 9% to ₹ 233 per sq. m.
- Increased outsourcing (vitrified and digital tiles) to ₹ 108 cr.
- Established the innovative and patented 'Forever Tiles' (highest abrasion-resistant tiles).
- Filed patent for 'Germ Free' Tiles (anti-bacterial tiles). We are the only Company in India to have developed this innovative patentable technology. The tiles remove more than 99.5% common disease causing bacteria from tiles.
- Expanded dealer network all over India by adding over 1,000 new dealers and improved our branding and display.
- Established the Orient International division to source world-class tiles from countries in Europe and Asia.

CORE VALUES

Integrity

- We have the highest level of integrity of character
- We display transparency in communication and feedback

Quality

- We provide highest quality products and services and seek regular feedback for improvement
- We set high levels of benchmarks to judge self and subordinates on quality on an ongoing basis

Customers

- We treat our internal and external customers with respect
- We constantly work to delight customers

Agility

- We execute all plans as per agreed timelines
- We believe in getting more done in similar or lesser time
- We show a sense of urgency in conducting a collective business

Partners

- We believe in maintaining excellent relationships with our business partners
- We seek active engagement and delight of business partners

Performance

- We take ownership and deliver expected business performance
- We are aware of the business goals and constantly strive to achieve them

HOW THE TWO BECAME ONE...

BELL CERAMICS LIMITED

Plants: Dora (Gujarat) and Hoskote (rural Bengaluru)

Annual manufacturing capacity: 14.6 mn sq. m

Entrenched sales presence: West and South India

Display counters: 75

Dealer strength: 1,013

Institutional customers: 260

Design library: 510

Brand: Bell

Revenue, 2011-12: ₹ 160.49 cr

Employees: 1267

ORIENT CERAMICS AND INDUSTRIES LIMITED

Plants: Sikandrabad (Uttar Pradesh)

Annual manufacturing capacity: 14 mn sq. m

Entrenched sales presence: North and East India

Dealer strength: 1,171

Institutional customers: 273

Design library: 191

Brands: Orient and Orient International

Revenue, 2011-12: ₹ 313.40 cr

Employees: 420

ORIENT BELL LIMITED

Plants: Dora (Gujarat) Hoskote (rural Bengaluru) and Sikandrabad (Uttar Pradesh)

Annual manufacturing capacity: 28.6 mn sq. m

Entrenched sales presence: West, South, North and East India

Dealer strength: 2184

Institutional customers: 533

Display counter: 225

Design library: Over 2,500 designs

Brands: Bell, Orient and Orient International

Revenue, 2011-12: ₹ 585.33 cr

Depots: 40

Employees: 1,159

...AND HOW THE ONE BECAME BIGGER THAN THE SUM OF TWO....

Overview

Orient Ceramics acquired a majority stake in Bell Ceramics in December 2010 for a total enterprise valuation of around ₹ 115 cr. Orient Ceramics held 68.31% in Bell, including shares acquired through public offer. On 30th March, 2012 both companies merged to form Orient Bell Limited. The shareholders of Bell Ceramics Limited were allotted one share of Orient Bell Limited for every four shares of Bell Ceramics Limited.

Benefits for Bell

Orient Ceramics leveraged its rich industry experience to make the following improvements at Bell Ceramics within months of acquisition:

Strengthened end product quality: First line quality at Bell improved from 60-65% to 80-85% in 2011-12, strengthening realisations, bottomline and brand.

Strengthened logistical efficiency: Earlier, 60% of Bell's clay requirement was procured 600 km from its plant; transportation cost was two-three times the cost of clay. Now almost 40% of the plant's clay requirement is sourced 15 km from the plant. Result: lower freight and raw material cost.

Switched the fuel mix: Earlier, Bell's plant consumed two-third APM gas and one-third GAIL gas (nearly three times costlier than APM gas). Now, Bell's plant consumes almost 100% of APM gas.

Re-engineered costs: Earlier, Bell ran its operations on two production lines. Now, with only one line producing 80% of two lines since January 2012, fuel costs dropped 33%, manpower costs declined and productivity increased significantly.

Reduced overheads: Earlier, Bell had a non-manufacturing cost structure that was not commensurate with its operational size. Now, production planning, sales, marketing, administration and finance functions have been centralised. There have been significant savings in overhead costs.

Benefits for both

Both brands have benefitted from each other. Bell has been able to offer many new products to customers through Orient's outsourcing arrangements and Orient gained in South and West Indian markets due to association with a strong brand and established distribution network.

Better branding strategy: Earlier, Bell accounted for a number of mid-level tile brands. Now, Bell has not only graduated to the premium end but also used some of its existing brands to protect Orient's premium varieties in price-sensitive markets. As a result, Bell's average price realisation has significantly increased.

The result: Orient Ceramics reported an 86.77% growth in its topline and a 37.8% growth in profit after tax in 2011-12.

Orient Bell also acquired a huge tax hedge of over ₹ 50 cr due to the past accumulated tax losses of Bell Ceramics.

OUR BUSINESS MODEL

Branding

At Orient Bell, we recognise that we are in a business driven by perception. In view of this, we have selected to consciously create a recall around the following attributes – 'aesthetic', 'innovative' and 'value for money'.

Positioning

At Orient Bell, we recognize that tiles is a growing segment and all segments at all product pricing are growing; higher-end growing faster. With a range of products to suit all price segments, excellent designs, patent pending products and a value-for-money proposition, our average realisation increased by 9% in 2011-12.

Scale

At Orient Bell, we believe that scale plays a critical role in enhancing competitive advantage for an evident reason: as product demand increases, companies with a dearth of capacity progressively lose shelf space and are eventually edged out by companies with larger capacities and availability (and hence lower costs). Following the Bell acquisition, we have gained manufacturing capacity that is the highest in the industry.

Distribution

At Orient Bell, we realise that in a business where the consumer is unlikely to visit any retail store if material is not available on the first visit, product availability drives offtake. In view of this, our tiles are available across more than 10,000 retailers across the country. This network makes it possible for our tiles to be available closest to consumption points and structured in a manner that the material moves quickest from our factories and outsourcing locations.

Manufacturing

At Orient Bell, we realise that success is increasingly derived from the ability to service customers quickest and best. Over the last couple of years, we have extended from one location and zone to three across the country, making it possible to service customer needs at the lowest transportation cost (inward of raw material and outward of finished products). We have also invested in our manufacturing locations with superior technologies to enhance our competitiveness.

OUR STORY IN NUMBERS

Orient Bell's turnover growth (₹ cr)…

Five-year CAGR of 20.51% led by new projects, retail expansion and business acquisition.

… Has led to an increase in operating profit (₹ cr)…

Five-year CAGR of 21.80% with consistent operating profit margin growth

… And has optimised the working capital cycle (days)…

… Post-tax profit has reported robust growth (₹ cr)…

… And by protecting shareholders' interest, despite increase in equity capital issued to Bell's shareholders, the EPS has improved over the years (₹)

Five-year CAGR of 32.16% leading to attractive shareholder value creation with dividend distribution (excluding tax) amounting to ₹ 8.35 cr over the past five years.

EAGLE VISION

FOLLOWING THE SUCCESSFUL INTEGRATION OF BELL, WE WILL NOW STRENGTHEN OUR MARKET SHARE AND EMERGE AMONG THE INDUSTRY'S TOP THREE BY 2015-16.

Dear Shareholders,

In 2010, when we acquired Bell Ceramics we had a capacity of 1.45 cr sq mtr p.a. with one plant in North India and were predominantly a North-based company. In FY 2011-12, we became a Company with a capacity of 2.9 cr sq mtr p.a., three pan-India plants and truly a company with a nationwide footprint.

What gives me a sense of achievement is that even as the Indian tiles industry grew at around 15% in 2011-12, your Company grew 86.77% on the strength of the Bell acquisition. Even if we exclude the Bell brand sales in 2010-11, our growth was an impressive 36%.

This noteworthy accomplishment is the result of the Company selecting to grow its business through organic and inorganic means. Your Company finished the year under review with three plants across North, South and West India, an installed capacity that is the largest consolidated by any single tile Indian manufacturing company. We also finished the year under review with a growth in our market share from about 8% to 12%.

Acquisition

We acquired Bell Ceramics in December 2010 which had an enterprise value of around ₹ 115 cr. What makes us unique is that we went ahead and acquired an entire listed Company and merged it successfully to form Orient Bell Ltd. This is the only such acquisition in the history of Indian tile industry.

Bell represented a perfect fit for a number of reasons:

- Bell possessed two strategically located manufacturing facilities at Dora (Gujarat) and Hoskote (rural Bengaluru), which complemented our existing facility in Sikandrabad (Uttar Pradesh). We acquired the company as an extensive national footprint that would enhance our operational flexibility and enable us to service demand in a quick and cost-effective way.
- The Bell brand enjoyed a strong recall; particularly in South and West markets, which complimented our existing presence in North and East India.
- By adding Bell's production capacity, we became India's largest in house manufacturering capacity owners.
- There was hardly any overlap between the distribution networks of Bell with Orient, thereby signifiacantly enlarging our dealer network.

Competence

We acquired Bell Ceramics with the objective to create a company that would be larger and stronger than the simple aggregation of the two constituents. Our results for 2011-12 indicate that our decision has been vindicated.

Revenues

- Sales grew 80.87% to 26.16 mn sq. mtr.
- Gross income increased 86.77% to ₹ 585 cr.

Profitability

- Average realisations increased 9% to ₹ 233 per sq. mtr.
- EBIDTA margin strengthened 28 basis points to 8.71%.
- Net profit grew 37.87% to ₹ 13.47 cr.

Convergence

The tile is now an established product on account of its superior value-for-money proposition considering cost, aesthetics, durability and hygiene.

There is a growing scope for this product for good reasons: there is a progressive consumer extension beyond the conventional mosaic, there is a growing aspiration to invest in better homes and offices. A relatively small increase in the outlay of tile investment can generate a significant improvement in flooring and wall tiling quality, as the use of technology has widened product offering to designs, finishes and shades that could not even be conceived as recent as a couple of years ago.

There is no doubt that the growth of the tile sector is linked to the growth of infrastructure. The strong drivers for infrastructure and tile sector growth are rising middle-class population and increasing levels of lifestyles, which in turn, drive residential housing, shopping complexes, food business, educational institutions, hospitals and hotels, among others.

The advent of digital printing on tiles will further expand the market size by carving away share from other surface covering products like marble, wood, stone etc. and, at the same time, widen design offerings to customers while reducing investment in inventory.

Capitalising

At Orient Bell, we are favourably positioned to capitalise on prospective growth due to the following reasons:

- Although family-owned, we are a professional, merit-led enterprise, having attracted some of the best competencies, enhanced corporate transparency and created an institution around our core values of integrity, quality, customers, agility, partnership and performance.
- We possess a nationwide footprint through our presence in Uttar Pradesh (servicing North and East India), Karnataka (servicing South India) and Gujarat (servicing West India), three of the fastest growing regions in India today.
- We possess a complement of brands and brand extensions that enhance customer recall.
- We are unique in our industry to have a design studio in Castellon, Spain, which is considered the mecca of international tile design and development.
- We enjoy a vibrant distribution network comprising five Orient Tile Boutiques, over 2000 direct dealers and over 8000 sub-dealers, making it possible for us to reach most parts of India in a cost-effective way. While the North contributes the largest chunk to our revenue at 41%, East, West and South constitute 17%, 9% and 33% of our revenues, respectively.
- We turned a loss-making Bell around; full year benefits of all the improvements that were done during the year will be visible from 2012-13.
- We possess an innovative product pipeline. We filed patents for 'Forever Tiles' and 'Germ Free Tiles', which will help open new markets. We have demonstrated that at our company, tile functionality and aesthetics go hand-in-hand. We are the only company in India to file a patent for 'Germ Free Tiles' and perhaps the only ceramic tile Company in the world to possess two patent-pending products.

Continuation

Going ahead, we expect to reinforce our business through an aggressive business plan, diversified offerings, balance between risk and reward, growth in India and abroad, integrated services that differentiate us from competitors as well as investments in capabilities that reinforce a high-performance culture.

This blueprint is expected to translate into the manufacture of digital tiles across 60-70% of our total production by end-2012-13 and entire production in two years, launch of five more owned Orient Tile Boutiques, more than 50 smaller Orient Tile Boutiques (OTBs) and Bell Tile Boutiques (BTBs) as well as the launch of more innovative products.

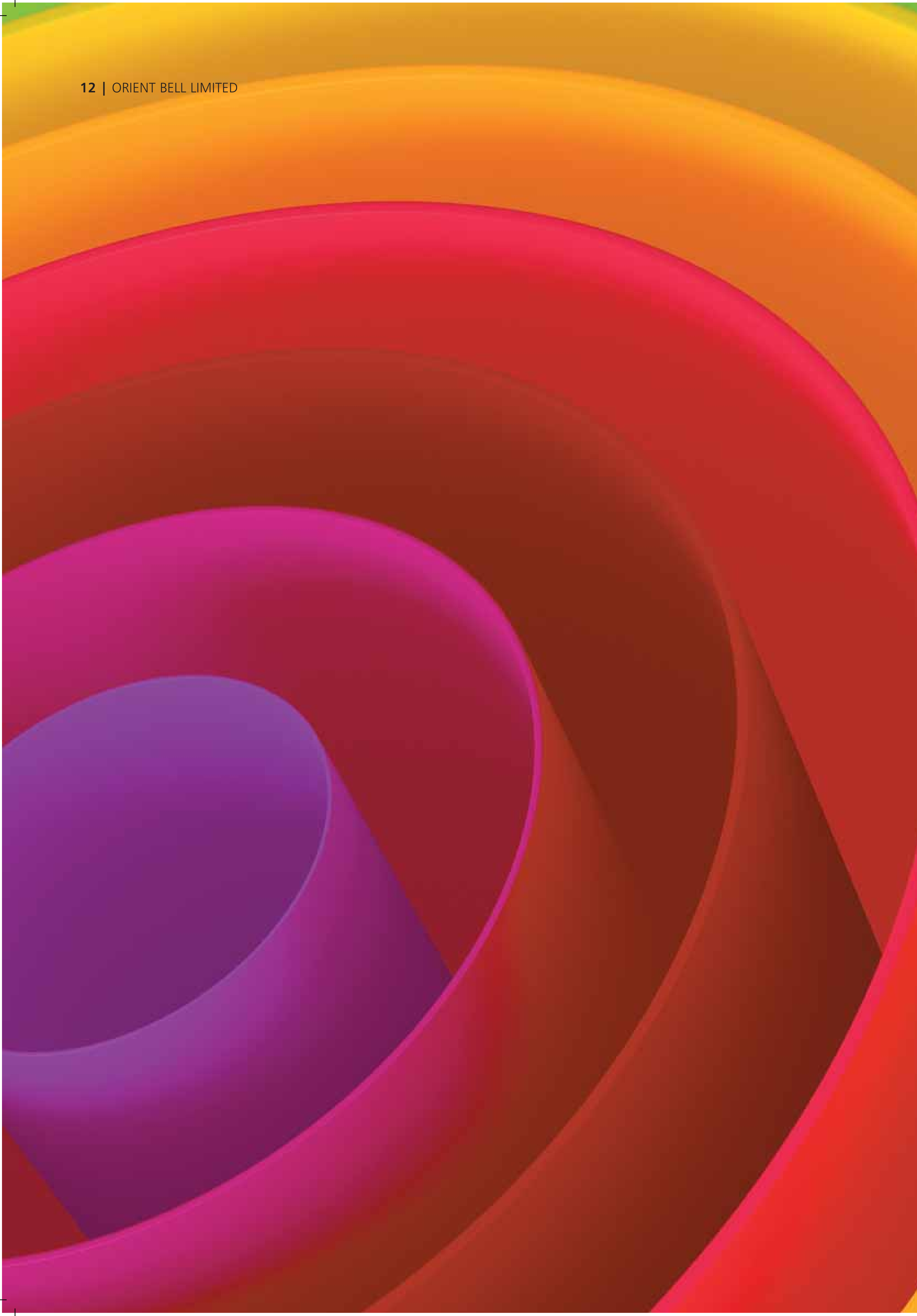
In doing so, we are poised to enhance our high-value tile sales and generate a topline of over ₹ 700 cr., strengthen our margins and enhance value for our stakeholders.

I thank my fellow Board members for their wholehearted support and my entire workforce for their total commitment during this challenging and exciting period. It is our assurance that we will remain dedicated to the creation of stakeholder value.

With good wishes!

Sincerely,

Mahendra K. Daga
Chairman and Managing Director



WHEN WE ACQUIRED BELL CERAMICS IN DECEMBER 2010, WE DIDN'T JUST RAISE EYEBROWS.

WE RAISED OUR VISIBILITY AS WELL.

Presence

- We enhanced our installed capacity from 14 mn sq. m to 28.6 mn sq. m in one move, which would have otherwise taken us nearly five years to build capacity with ten times the amount.
- We widened our reach to South and West India, reinforcing our presence in North and East India.
- We acquired 273 institutional customers, 1,171 dealers, 4,000+ sub-dealers and 24 pan-India stock depots.
- We set up exclusive small format display centres across dealer premises in 2011-12, targeting 50 dealers by 2012-13.

Visibility

- We undertook an online advertising campaign ('We cover up beautifully') loaded with online & mobile games, advertisements and contests that enhanced our visibility among architects, interior designers and tile retailers. Our Facebook site is ranked among the top 150 across all Indian Facebook pages with over 3,20,000 fans and the highest ratio of active users.
- We introduced the innovative 'Orient Fountainhead Trophy' for the best students in interior designing and architecture every year across more than 50 architecture institutions in India.
- We launched India's first online tile market (www.wecoverupbeautifully.com) for builders, architects, interior designers and tile retailers/sellers, the perfect launch pad for all tile-related stakeholders under one roof.

OUR BRAND PORTFOLIO

Orient: Represents the Company's most popular wall and floor tile offering from erstwhile Orient Ceramics. Available at retailers across India.

Orient International: Represents exclusive premium imported tiles from Spain, Italy, Turkey and other countries.

Bell: A range of ceramic floor and wall tiles to suit diverse preferences. Range includes ceramic glazed wall tiles, ceramic glazed floor tiles and edge cut floor tiles in unique and big sizes.

THERE ARE 'FITS', 'MISFITS' AND 'PERFECT FITS'.

ORIENT AND BELL WAS THE 'MOST PERFECT FIT' POSSIBLE.

We own and operate India's largest ceramic tiles capacity at 28.6 mn sq. m per year. We successfully integrated Bell, helping transform five years of consecutive losses into a profit in 2011-12 through a deep understanding of best practices, their seamless transfer and aggressive implementation.

- The acquisition facilitated the ownership of two strategically-located plants at Dora in Gujarat and Hoskote in rural Bengaluru in addition to our Sikandrabad plant in Uttar Pradesh. The Hoskote plant sells almost 100% of its output within a radius of 400 km.
- We provided value-added products to Bell from our own machines and outsourced the production of vitrified tiles. We enhanced first quality at Bell from 60-65% to 80-85% significantly, improving realisations even as the improvement process continues.
- We entered into a 10-year natural gas sourcing contract with GAIL, mitigating fuel cost spike risks. We rationalised the number of vendors to those working close to our plants, reducing our cost of transportation, storage and lead time. We undertook a detailed product costing system that passed increased costs to customers. We implemented energy conservation measures resulting in the accumulation of almost 21,000 tonnes of carbon-equivalent; we planted over 1,000 trees across our plant premises.

HOW WE ENHANCE VALUE FOR OUR STAKEHOLDERS

Capacity

Orient Bell increased its production capacity at a CAGR of 29.01% from 8 mn sq. m per annum in 2005-06 to 28.6 mn sq. m per year in 2011-12 through organic expansions and through the gamechanging acquisition of Bell Ceramics Limited in December 2010. Following this acquisition, the Company has emerged as the largest ceramic tile manufacturer in India.

Locations

The Company's three facilities in Gujarat, Karnataka and Uttar Pradesh provide it with a pan-Indian presence, enabling it to address tile demand swiftly and cost-effectively.

Output

The Company's tiles sales registered a CAGR growth of 20.52% over the five years closing 2011-12, representing one of the fastest growth rates in India's tile sector.

Technology

The Company's tile manufacturing units possesses the best manufacturing plant and machinery sourced from the best suppliers and a range of products suitable for all market segments, including two patent-pending products.

Designs

The Company is the only one in India's tile sector to possess a state-of-the-art design studio in Castellon (Spain), the tile design and development hub of the world. Its team of professionals (in India and Spain) are headed by Maria Jose Castillo, a renowned Spanish designer. The Company's library comprises over thousands of digital designs. All this adds up to a competitive advantage in a sector marked by rapid preference changes.

Value-addition

Value-added tiles account for 50% of the Company's product mix. The value-addition extends from ₹ 20 per sq ft to 300 per sq ft. Average tile realisations increased 9.2% in 2011-12.

Research and development

The Company's research team innovated the 'Forever Tiles' range, which are 40% more abrasion-resistant vis-à-vis competing tiles. The team also innovated the 'Germ Free Tiles', which find extensive use in hospitals, restaurants and high-hygiene spaces. Both products are patent pending.

Portfolio

The Company's portfolio comprises over 786 active tile models, the widest range in India. The Company launched Orient International, which is engaged in the import of luxury and high-end tiles from Spain, Italy and Turkey.

Energy security

The Company entered into a 10-year contract with GAIL to source natural gas; the pricing is based on the average price of the previous several years, protecting against sudden price spikes.

Energy conservation

The Company received carbon credits for over 21,000 tonnes of carbon equivalent, certified by TUV Nord through the implementation of several energy conservation measures.

Distribution

The Company established a strong presence in the major cities and rural pockets of India through a widespread dealership network comprising 2,184 dealers, five Company-owned and Company-operated Orient Tiles Boutiques, 8000+ sub-dealers and presence across all 13 Home Town stores.

Certifications

The Company is certified by ISO 9001:2008, ISO 14001:2004, OHSAS 18001 and CE certification for quality management systems (QMS). It is also a member of the Indian Green Building Council (IGBC) and engaged in the development of several eco-friendly products.

Human resources

The Company's 1,159 employees across various disciplines possess rich intellectual capital. The Company's people retention is one of the highest in the country's tiles industry.

Quality

Orient Bell tiles are made with stringent quality norms which is well known and appreciated across the Country.

PROFILE OF OUR BOARD OF DIRECTORS

Mr. Mahendra K. Daga

(Chairman and Managing Director)

Mr. Mahendra K. Daga's name is synonymous with the Indian tiles industry. He possesses vast experience in erecting, commissioning and successfully managing multi-location tile plants, refractories and transfers. Mr. Daga is the founder member of the Indian Council of Ceramic Tiles & Sanitaryware (ICCTAS), the apex Indian body representing the ceramic tile industry. He represented India among eight international speakers at the International Meeting on Ceramic Industry organised by Associazione Costruttori Italiani Macchine Attrezzature per Ceramica, at Modena (Italy) in 2000. He is an environmentalist and horticulturist. He has won numerous prizes in recognition of his work including Delhi Government's award for water harvesting. He is the driving force behind our Green (Tile) Plant that do not discharge any waste water and receiving Carbon Credits, the only tile Plant in India to do so.

Mr. Madhur Daga

(Executive Director)

Following a brief initial stint at Orient Ceramics after completing his PG, he set up a software business, which he exited in 2005. He rejoined Orient Ceramics as Executive Director. Although responsible for the overall management of the company in his present role as Executive Director, Mr. Daga spends most of his time leading Orient's Product Innovation Team and interacting with customers and ensuring that Orient Bell is run by a team of competent professionals.

Mr. R. N. Bansal

(Non-Executive and Independent Director)

Mr. Bansal is a retired member of Company Law Board and one of the go-to persons in the Company's legal and Corporate Law matters. Being on the Board of prominent companies, he plays a valuable role in advising Orient on financial matters as well.

Mr. Dhruv M. Sawhney

(Non-Executive and Independent Director)

Mr Dhruv M. Sawhney aged about 68 years, is an eminent industrialist. He graduated with a Masters in Mechanical Sciences from Emmanuel College, University of Cambridge, U.K. and M.B.A with distinction from the Wharton School, University of Pennsylvania, U.S.A. Mr. Sawhney has received the highest civilian award "Chevalier de la Legion d'Honneur" from President Chirac of the French Republic. Mr Sawhney is the Chairman of the India Steering Committee of the World Economic Forum, Switzerland.

Mr. Sawhney is a Past President of the Confederation of Indian Industry (CII), the Indian Sugar Mills Association and the Sugar Technologists Association of India. He was the first Chairman from the developing world of the International Society of Sugar Cane Technologists.

Mr. Sawhney takes a keen interest in education, and was a past Governor of the Indian Institute of Management, Lucknow, the Management Institute at the University of Delhi and Chairman of the Doon School, Dehra Dun. He is the Chairman and Managing Director of Triveni Engineering & Industries Ltd and Triveni Turbine Ltd.

Mr. N.R Srinivasan

(Non-Executive and Independent Director)

An M Sc (Tech) and fellow of the Institute of Ceramics (UK), Mr. Srinivasan is a well-known ceramist. He has represented various committees and delegation sponsored by the Government of India.

Mr. K.M. Pai

(Non-Executive and Non- Independent Director)

Mr. K.M. Pai has been appointed as Director of the Company w.e.f. 2nd April, 2012.

Mr. Pai is M.Sc, MBA Finance from IIM, Bangalore, ACMA, ACS with around 40 years of rich experience and proficiency to manage the business affairs of a Company as a whole. He was last associated with Bell Ceramics Limited ("BCL") as Managing Director looking after overall working of BCL.

Mr. P.M. Mathai

(Non-Executive and Independent Director)

Mr. P.M. Mathai has been appointed as Director of the Company w.e.f. 23rd April, 2012.

Mr. Mathai is a B.Tech. Chemical Engineering from IIT Kanpur, PGDBM from IIM, Kolkata. He brings more than three decades of rich professional experience across several functional areas including Sales, Capital Investments Management, Engineering, HR, Profit Centre Management & leading large teams to successfully complete global scale projects. After starting his career & spending more than a decade with Voltas, Mr. Mathai subsequently spent over 20 years at GlaxoSmithKline and retired as part of their Global Director Grade.

Ms. Madhavi M. Kapadia

(Non-Executive and Independent Director)

Ms. Madhavi M. Kapadia has been appointed as the nominee Director of the Company effective 6th June, 2012 nominated by IDBI Bank, one of the Company's lender, not liable to retire by rotation.

PROFILE OF OUR SENIOR MANAGEMENT TEAM

1 Mr. Mahendra K. Daga

Chairman & Managing Director

Mr. Mahendra K. Daga is the Promoter and Chairman & Managing Director of the Company. Mr. Daga is the foremost tile technologist in the Country.

2 Mr. Madhur Daga

Executive Director

Mr. Madhur Daga is the Promoter and Executive Director of the Company. He believes in professional management. People and products are his passion.

3 Mr. Vijay Shankar Sharma

Chief Executive Officer

Mr. Vijay Shankar Sharma is the Chief Executive Officer of the Company. Mr. Sharma is associated with the company since May, 2008. He brings experience and practices from Multi National Companies that he worked for. As CFO of the Company earlier, he spotted the Bell opportunity and led the successful acquisition. As CEO, he oversaw Bell turnaround. He has vision to see Orient Bell Limited as the top Company in the Industry.

4 Mr. Anil Agarwal

Chief Operations Officer

Mr. Anil Agarwal, the Chief Operations Officer of the Company, has been the head of manufacturing since the year 2004. He is not only an expert in the manufacturing but also a great team leader. Many of the improvements leading to Bell turnaround were successfully executed under the guidance of Mr. Agarwal.

5 Mr. Ashish Mehta

President, Sales & Marketing

Mr. Ashish Mehta is the President, Sales & Marketing of the Company. He worked with Berger Paints for a long stint of 16 years and was Chief (Retail) – Sales & Marketing of Pidilite Industries before joining the Company in August 2011. Having worked in most of the States of the Country, Mr Mehta has a deep local understanding of know how to tailor-made sales strategies to suit different regional requirements. His aim is to grow Orient Bell Limited's sales faster than the competition.

6 Ms. Maria Jose Castillo

Chief Product & Solution Designer

Ms. Maria Jose Castillo is our Chief Product and Solution Designer. She heads our design studios/ offices at Sikandrabad (India) and Castellon (Spain). She is associated with the Company since July, 2008. Ms Maria is passionate about her designs and knows the minds of architects / interior designers and spotting the design trends comes naturally to her.

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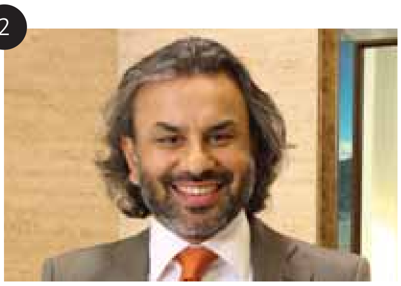

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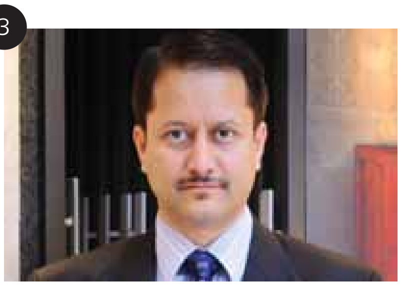

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 35th Annual Report and the audited accounts for the financial year ended March 31, 2012.

Financial Results

The financial performance of your Company for the year ended March 31, 2012 is summarized below:

(₹ in lacs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011
Gross Sales and other operating Income	58,532.55	31,339.97	58,532.55	35,994.24
Profit before Interest, depreciation and taxation	5,211.98	3,320.70	5,210.76	4,579.31
Interest and Finance cost	2,193.41	901.69	2,193.41	1,650.34
Depreciation	1,901.75	977.88	1,901.75	1,258.76
Profit before taxation	1,116.82	1,441.13	1,115.61	1,670.21
Tax expense	(229.74)	463.95	(229.74)	409.40
Profit after tax	1,346.56	977.20	1,345.35	1,260.81
Diluted earnings per share (Rupees)	9.92	9.28	9.91	11.97

Operating Results

The year under review was a milestone in your Company's history as Bell Ceramics Limited was amalgamated with Orient Ceramics And Industries Limited on 30.03.2012 and your Company became 'Orient Bell Limited'. Your Company's operating results further improved due to continuous thrust on product innovation and strong marketing practices. Your Company has registered a gross turnover of ₹ 58,533 lacs during the financial year 2011-12 as compared with ₹ 31,340 lacs in the previous financial year 2010-11 thereby marking a growth of 87%. Your Company's net profit after tax has also improved from ₹ 977 lacs to ₹ 1,347 lacs i.e. a growth of 37.87%. With continuous and serious efforts put in by the management team, Bell Ceramics Limited ("Bell") became profitable on a standalone basis before amalgamation. This is compared to a loss of over ₹ 1,000 lacs Bell had reported in the previous few years.

New Initiatives/ Major Activities

Amalgamation

As strategically planned, the amalgamation of Bell Ceramics Limited, which was acquired and made subsidiary by your Company in 2010-11, was completed on 30.03.2012. Your Company got approvals of the Hon'ble High Court of Allahabad and the Hon'ble High Court of Gujarat on 19.12.2011 and 07.02.2012 respectively. As per the Scheme of

Amalgamation the effective date of amalgamation is 30.03.2012 whereas the appointed date is 01.01.2011 i.e. the date when the business operations of both the companies are consolidated.

Change in Name of the Company

In order to unveil the obtained synergy and reflect the integration of business of both Orient and Bell the name of your Company was changed to Orient Bell Limited with effect from 15.03.2012.

Product Talk

During the year under review your Company has launched digitally printed tiles under Brand "Orient" with great success. Based on survey and customer likes, your Company is in the process to launch more designs and sizes under Orient Brand as well as under Bell Brand.

After launching patent pending "Forever Tiles" successfully, your Company also filed patent for another product "Germ Free Tiles". This is a breakthrough innovation that eliminates practically all common disease causing bacteria from the tile surface. This technology is likely to find acceptance from home and health care segment in particular. The products under "Germ Free Tiles" will be launched in 2012-13.

Display Centres

Your Company has done and continues to invest in product display centres. At present, your Company has 5 Orient Tile Boutiques across the Country which are owned and managed by your Company. These boutiques help customers and dealers see the entire product range and also generate retail sales at the maximum retail price without competing with our own retail channel. Your Company is investing heavily in dealer boards and wall painting in all airport roads across the Country.

Apart from this, your Company has its product display in all "Home Town Stores" in Mumbai, Pune, Thane, Bangalore, Hyderabad, Gurgaon, Noida, Ahmedabad, Lucknow, Kolkata and Aurangabad and across the Country and has nearly 20 franchisee showrooms with display ranging from 500 to 2500 square feet.

The Company is planning to open more Company owned and franchisee showrooms in the coming year.

Social Presence

Your Company has a presence on social media. The facebook page of your company www.facebook.com/WeCoverUp Beautifully has over 3,20,000 'Likes' and the highest ratio of active users. It is ranked amongst the top 150 brand pages in the Country. There are many interactive features on this page including online games. The webpage has mobile games for android, iPhone and iPad.

Your Company has launched www.WeCoverUpBeautifully.com which among others has features to allow all architects, interior designers, builders and tile sellers to create their own free website. This site will subsequently have e-commerce module which is under testing phase.

A common website www.OrientBell.com was also launched during the year under review.

Expansion

Rural Bangalore plant of your Company has existing building ready for installing one more production line. Your Company plan to start work on expansion in the current financial year 2012-13 so that by the time expansion is completed, natural gas will be available in place of expensive LPG. The plant will be ready to produce inkjet printed glazed vitrified tiles of various sizes. It will have a ready market in South and with its two strong brands; your Company will be able to sell the production at good realization.

There is also land for one more expansion in Hoskote (Bangalore) and Dora (Gujarat). In Sikanderabad, there are plans to upgrade one of the production line to make higher value tiles that would result in higher sales growth.

There are also plans to install more digital printing machines in Hoskote and Sikanderanad in the financial year 2012-13.

Dividend

For the year under review, your Directors have recommended for consideration of the shareholders at the ensuing Annual General Meeting, a dividend of ₹ 1.50 per share (15%) for the year ended March 31, 2012. The total outgo of dividend inclusive of corporate tax on dividend thereon would amount to ₹ 236.63 lacs as against ₹ 245.58 lacs in the previous year.

Management Discussion and Analysis Report

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

CORPORATE GOVERNANCE REPORT

Your Company has implemented the mandatory as well as certain non mandatory requirements of Corporate Governance as per clause 49 of the Listing Agreement. A report on corporate governance with detailed compliance has been given under separate section in the Annual Report. Your Company has also obtained a certificate for compliance of the provisions of Corporate Governance from the Statutory Auditors.

Subsidiary Company

During the financial year 2011-12, the erstwhile subsidiary Company, Bell Ceramics Limited was amalgamated with your Company on 30.03.2012. On 17.01.2012, your Company has acquired 100% stake in Elit International Trading (HK) Pvt. Ltd., a Company incorporated in Hong Kong and made it wholly owned subsidiary company. In accordance with the general circular no. 2/2011 and 3/2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents of Elit International Trading (HK) Pvt. Ltd. are not being attached with the Annual Accounts of the Company. Copies of the Annual Accounts of Elit International Trading (HK) Pvt. Ltd. and related information will be made available on request by any shareholder. The annual accounts of the subsidiary company will also be kept for inspection by any shareholders in the Corporate Office of your Company and also at the venue during the Annual General Meeting.

Consolidated Financial Statements

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

Public Deposits

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

Information Pursuant To Section 217(1) (e)

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

Particulars Of Employees

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

Directors

Mr. K.M. Pai and Mr. P.M. Mathai were appointed as Additional Directors effective 02.04.2012 and 23.04.2012 respectively and shall hold office up to the date of ensuing Annual General Meeting. Notices under section 257 of the Act, have been received from a member proposing both of them as candidates for the office of Director, liable to retire by rotation.

IDBI Bank has nominated Ms. Madhavi M. Kapadia as Nominee Director of your Company effective 06.06.2012 not liable to retire by rotation.

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

Directors' Responsibility Statement

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

(i) that in the preparation of annual accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of your Company for the year under review;

(iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the Directors had prepared the accounts for the financial year ended March 31, 2012 on a 'going concern' basis.

Auditors

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

Auditors' Report

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

Acknowledgement

Your Directors thank all the shareholders, customers, vendors, other business partners, channel partners and banks for the support extended by them. We also thank the Central Government, the concerned State Governments, and other Government authorities for their support. Your Directors place on record their deep sense of appreciation for the exemplary contribution made by employees at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

On behalf of the Board

Place: New Delhi
Date: 14th August, 2012

Mahendra K. Daga
Chairman & Managing Director

ANNEXURE 'A'

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

A. Conservation of Energy

(a) Energy Conservation measures taken:

At Sikandrabad Plant:

1. Recycled waste exhaust from kilns for use in kiln & press dryers for drying fresh glaze & "green" raw tiles.
2. Recycled waste exhaust from gas engines into Spray dryer for fuel saving in spray dryer.
3. Installed Variable Frequency Drives in Kiln blowers, ball mills & Spray dryer to save electrical energy.
4. Installed voltage stabilizers for lighting load to save electrical energy.
5. Modification in motor connections from 'Delta' to 'Star' to reduce power consumption.
6. Installed cyclic timers in various agitators for power saving.
7. Gas saving in kilns has been achieved through latest combustion system in collaboration with Italy.
8. Both power & fuel have been saved through their proper monitoring & control.
9. EMS (Energy Management System) has been used to monitor power in Plant.

At Hoskote Plant:

1. Provided Energy Saver for Lighting.
2. Installed cyclic timers for agitator in Glaze storage tanks.
3. Reduced air compressor power consumption by reducing air leakages across the plant and optimizing air pressure required for operation.
4. Provided energy efficient lighting by progressively replacing Sodium Vapor and Metal Halide Lamps with LED lights. The process is being implemented in phases.
5. Distribution voltage reduced to 405 volts from 415 volts.
6. Reduced idle running of machineries in the plant.

7. Adjusted the airflow damper positions in Dryer-1 and optimized the air draft inside the dryer so that a 15KW blower could be stopped without affecting the product quality.

8. Automated the kiln-2 unloading roller conveyors such that they stop automatically when no tiles are fed for a preset time.

9. Introduced Time of the Day (TOD) metering to take advantage of cheaper Non-peak hour energy pricing.

10. Started power purchase by Open Access Trade through Indian Energy Exchange to reduce cost of power purchased.

11. Used waste hot air from indirect cooling zone for combustion in Kiln-2.

12. Reduced LPG consumption in press dryer from 0.19 Kg/m2 to 0.17 Kg/m2 by optimizing LPG burner settings.

13. Reduced gaps in kiln feeding significantly. This has resulted in reduction of fuel consumption.

At Dora Plant:

1. Recycled waste hot air from kilns for use in kiln & press dryer for drying the fresh glaze & "green" raw tiles.

2. Installed Variable Frequency Drives in kiln blowers and spray dryer blowers to save electrical energy.

3. Motor connection was modified from Delta to Star to reduce power consumption in slip and glaze agitators.

4. Variable Frequency Drives provided in compressor to save energy.

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

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

2. To provide 55KW VFD (Variable Frequency Drive) for smoke suction fans in kilns.

3. To provide 55 KW VFD for Air compressor motors to save energy.

4. To provide 165 KW VFD for 1 lac m3 /hour capacity DISA make Dust Collector in milling plant to save energy. Projected saving is 9%.

5. To replace remaining Sodium Vapour and Metal Halide Lamps in the plant with energy efficient LED lamps in phases.

6. To further optimize compressed air usage in the plant to bring down the air compressor energy consumption from 1500 units per day to 1000 units per day.

7. Waste heat of gas engine to be used in Spray Dryer.

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

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

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

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

B. Technology Absorption

Research and Development (R&D)

(a) Specific areas in which R&D carried out by the Company:

By an ongoing system of applied research in body composition, by re-engineering the glaze composition and applying value engineering in packing we are able to keep the cost under control despite of continuous rise in input costs.

(b) Benefits derived as a result of the above R&D:

We are able to keep costs under control.

(c) Future plan of action:

The Company has strived to be leader in manufacturing of quality tiles with rich colours and indifferent designs at very competitive price. The Research and Development work is an ongoing process which the team at OrientBell adapts with excellence. The company plans to complete the patent process of FT tiles, Germ Free tiles etc. in coming months.

(d) Expenditure on R&D:

No separate record of the expenditure incurred is maintained.

Technology Absorption, Adaptation and Innovation

(a) Efforts made towards technology absorption, adaptation and innovation:

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

At Sikandrabad Plant:

1. Installed auto sorting and packing machine to improve the quality of packing and on line checking of size and planarity.
2. Digital printing machine, which is the ultimate technology in printing for high value product, is being installed.
3. For fuel saving in kilns we have modified our kiln combustion system in collaboration with a leading Company of Italy.
4. More Variable Frequency Drives (VFDs) have been ordered for the electrical energy conservation.
5. New Squaring and Chamfering machine installed.

At Hoskote Plant:

1. Installed and commissioned 2 nos. of Sizer and Planner Machines in two sorting lines to reduce size variation and warpage problem. Installation of two more machines for the remaining two lines is under process.
2. Introduced Dry Edge cutting to replace power hungry wet edge cutting process.
3. Installed Bursting strength testing machine to test Bursting strength of Carton boxes.
4. Electronic Weighing Scale provided in press department to have periodic monitoring and control of Green Tile weights.
5. Production trials are in process to substitute costly Fire clay with a suitable local clay to reduce cost of body.
6. Work is in progress to increase the cavity size in press moulds as part of our efforts to further increase in MOR and reduce WA of HSK tiles by increasing kiln temperature.
7. A new advanced powder moisturizing controller is being planned from Manfredini and Schianchi, Italy to get consistent powder moisture in milled powder. It is in final stages of commercial negotiation.
8. VFDs are planned for smoke suction fans in kilns, air compressors and dust collectors in milling plants to reduce electrical energy consumption.
9. Existing LPG storage bullets will be replaced with a more robust and safe mounded design bullets under BOOT system which is also expected to reduce cost of LPG purchased besides avoiding capital investment from our end.
10. Work is on to replace LPG with natural gas as and when GAIL pipe line is ready. Signing of contract agreement with GAIL is in the final stages.
11. Digital printing machine which is the ultimate in printing technology is under consideration for high value product.
12. Capacity expansion to produce 9000 m2 per day of GVT/Industrial tiles is in the offing.
13. Belt widening of powder carrying conveyors from 500mm to 650mm in milling plant and press to reduce powder spillage is planned.

At Dora Plant:

1. Sizer and planner machine installed at sorting line to checking size and planarity.
2. Variable Frequency Drive (VFD) provided in Kilns and Spray Dryer.
3. Auto packing machine is under consideration for reducing wastage and manpower.
4. Digital printing machine which is the ultimate technology in printing is under consideration for high value products.

(b) Benefit derived as a result of the above efforts: As a result of these efforts, cost reduction, improved yield, energy saving, and quality up gradation became possible.

(c) (i) Technology imported:

1. Auto Sorting machine: Year 2011.
2. Squaring and Chamfering machine: Year 2007.
3. New Squaring and chamfering machine: Year 2010.
4. Kiln combustion modification system: Year 2011.
5. Roto color machines: Year 2011.
6. Sizer and Planner Machine: Year 2012.

(ii) All the earlier relevant technologies are fully absorbed.

C. Foreign Exchange Earnings and Outgo

(i) Foreign Currency used : ₹ 1736 Lacs.

(ii) Foreign Currency earned : ₹ 667 Lacs.

On behalf of the Board

Place: New Delhi
Date: 14th August, 2012

Mahendra K. Daga
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

As per the requirement of Clause 49 of the Listing Agreement the Management Discussion & Analysis Report is as under:

Global Tile Industry

A couple of years back the world economic slowdown triggered sharp declines in housing starts in developed regions, such as, the United States, and Europe, which not surprisingly impacted the ceramic titles market. Rising levels of unemployment, reduction in household wealth, and discretionary spends, falling consumer confidence, lack of credit availability, and budgetary constrains have driven down construction and renovation activities both in the residential and commercial construction sectors. In the post recession period, re-emergence of growth driving market fundamentals and refreshing technological innovations kindled consumer interest and re-energized demand patterns. As per reports of Global Industry Analysts, Inc. (GIA), registering a CAGR of around 3.05%, Asia-Pacific represents the fastest growing market for ceramic tiles.

Sustainability and style factors have continued to influence ceramic tiles industry. For instance, most manufacturers from Italy, as well as those from other countries such as Spain, France, Germany, Japan, and others have demonstrated significant interest and made major investments in sustainable production of ceramic tiles to meet the ever tightening environmental standards and regulations.

As stated by the new market research report by GIA on Ceramics Tile Market, Asia-Pacific and Europe collectively account for more than 80% share of the global market.

Indian Tile Industry

Ceramic Tiles today have become an integral part of home improvement. It can make a huge difference to the way your interiors and outdoors look and express. The Indian tile industry, despite an overall slowdown of the economy continues to grow at a healthy 15% per annum. Investments in the last 5 years have aggregated over ₹ 5,000 crores. The overall size of the Indian ceramic tile industry is approximately ₹ 18,000 Crore (FY12). The production during 2011-12 stood at approx. 600 million square meters.

The Indian tile industry is divided into organized and unorganized sector. The organized sector comprises of approximately 14 players. The current size of the organized sector is about ₹ 7,200 Crores. The unorganized sector accounts for nearly 60% of the total industry bearing testimony of the growth potential of this sector.

The Indian ceramic tiles industry is the world's third largest producer as well as consumer after China and Brazil. With proper planning and better quality control Indian exports (presently insignificant) contribution can significantly increase.

The main product segments are the Wall tile, Floor tile, Vitrified tile and Industrial tile segments. The market shares (in value terms) are 20%, 23% 50%, and 7% respectively for Wall, Floor, Vitrified, and Industrial tiles. The tiles are available in a wide variety of designs, textures and surface effects. They cater to tastes as varied from rustics to contemporary marble designs in super glossy mirror finishes.

The ceramic tiles industry in India has followed similar trends internationally which has been characterized by excess capacities and falling margins. Countries like Malaysia, Thailand, Indonesia, Sri Lanka and Vietnam are setting up their own plants. China has emerged as a major competitor. Producers from Spain and Italy have the advantage of lower transportation costs while exporting to USA and Germany. In India, the per capita consumption is as low as 0.42 square meters per person compared to China (2.6 square meters per person), Europe (5 to 6 square meters per person) or Brazil (3.4 square meters per person). Rising disposable incomes of the growing middle class and 40 million units of housing shortage hold out a great potential.

Outlook

As per CMIE, industry's sales are expected to grow by 22.6 per cent during the year 2011-12, over a 28.2 per cent growth in the previous year. Capacity additions in the ceramic products industry will aid the sales growth. The demand for ceramic products is likely to be sustained in 2012-13.

The industry grew 15% annually over the last few years (outpacing global average growth of 6% per annum) owing to the emergence of tiles as a durable, cost-effective and convenient flooring solution over natural stone and other surfacing materials. In fact there is no real substitute for ceramic tiles. Increasing disposable incomes, affordability, urbanization, brand aspiration and home aesthetics also catalyzed the demand for high-end variants.

The Indian ceramic industry is equally divided into the branded and unbranded segments. The unbranded segment comprises of small players concentrated in few regions. The branded segment is gaining market share owing to rapid capacity addition and shift to value-added products.

Opportunities & Threats

As per Eleventh Five Year Plan (2007-12) it is estimated that the overall employment generation in the economy due to additional investment in the housing/construction sector is eight times of the direct employment (IIM-Ahmedabad Study 2005). Construction sector employment is growing at the rate of 7% per annum. Housing provides opportunities for home-based economic activities. Housing also has a direct impact on the steel and cement, marble/ceramic tiles, electrical wiring, PVC pipes, and various types of fittings industry, which make a significant contribution to the national economy. We, therefore see an opportunity of consumption of tiles in increasing numbers of households and population in India day by day. Tile in household has become a fashion consumable. People prefer the 'In' and 'Trendy' to be a part of their household and tile is not an exception to them. The Ready to Use and Matching Concept features of Tile aggregates the high demand of Tiles over contemporary carpets, marbles etc.

Imports and the unorganized tile sector are the major threat to the Indian tile market. Freight, power and gas are the key cost-related issues impacting the industry. Copying of Tile designs is also a threat for the business resulting in undue loss to the Company. Your Company takes adequate measures to mitigate these threats including production planning, registration of IPRs, delivering of excellent quality designs at competitive prices and having a continuous New Product Development plan.

Segment Wise or Product Wise Performance

Your Company deals with products which come under one segment only i.e. 'Ceramics Tiles'.

Internal Control Systems & Their Adequacy

Your Company has a strong Internal Audit Control system which delivers the Internal Audit Reports, Action Taken Reports as per the Internal Audit Plan duly reviewed and approved by the Audit Committee of your Company. Your Company has refined Standard Operating Procedures for all business processes which are updated from time to time. The internal control system provides reasonable assurance that the transactions are properly recorded and are executed in accordance with proper management authorization and that the assets are safeguarded against loss from unauthorized use or disposition and that the accounting records are adequate for preparation of financial statements and other financial information. The system is reviewed and updated on an on-going basis. The Company is continuously upgrading its internal control systems by various measures such as strengthening of Information Technology, Infrastructure, use of external management services and adoption of various recommendations of Internal Audit Committee. The In house internal audit framework helps in identifying the business risks and problem areas which with the guidance of Management and Audit committee mitigated ensuring better Corporate governance and greater efficiency.

Discussion of Financial Performance with Respect to Operational Performance

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

1. **Capacity:** The utilized capacity of all the plants was 78%. The technical performance of the Company has continued to remain satisfactory.

2. **Sales:** The Company's gross turnover increased by 87% during the year 2011-12. This includes export sales of ₹ 667 lacs (FOB).

3. **Finance charges:** Finance charges for the year amounted to ₹ 2193 lacs as against the previous year of ₹ 902 lacs. This increase of ₹ 1291 lacs is due to increase in rate of interest and increased working capital limit and long term loans.

4. **Depreciation:** The current year depreciation amounted to ₹ 1902 lacs as against ₹ 978 lacs of previous year.

5. **Profit:**

a) Profit before Depreciation and Taxation amounted to ₹ 3019 lacs as against the previous year of ₹ 2419 lacs.

b) Provision for taxation

During the financial year 2011-12 the Company was subject to Minimum Alternate Tax.

c) Net Profit for the year amounted to ₹ 1347 lacs as against the previous year of ₹ 977 lacs.

d) Cash from Operation: During the year ₹ 4614 lacs were generated from operations as against the previous year figure of ₹ 547 lacs.

6. **Fixed Assets:** During the year the Gross Block including assets acquired on account of Merger increased from 2073 lacs in the previous year to ₹ 52240 lacs in the year 2011-12.

7. **Net Working Capital:**

Inventories increased to ₹ 10736 lacs from ₹ 6912 lacs in the previous year.

Sundry Debtors increased to ₹ 7898 lacs as against ₹ 3934 lacs of previous year.

Loans and advances of ₹ 2585 lacs representing advances paid for raw materials, stores and spares, advance taxes, Customs duty, un-utilised Cenvat/ Service Tax credit, export entitlement benefit receivable, sundry deposits etc.

Current liabilities and provisions: The amount of ₹ 12764 lacs includes creditors for suppliers of raw materials, stores and spares, provisions for expenses and taxes, dividend and tax payable thereon, liabilities for gratuity and leave encashment.

8. **Borrowed funds:** As on 31.03.2012, the total borrowings of the Company were ₹ 18223 lacs as against ₹ 9844 lacs in the previous year. The increase in borrowed funds was on account of Loans acquired on account of Merger.

Human Resource / Industrial Relations

Your Company believes that human resource is the most important asset of the organization and lays importance on competence and commitment of human capital for its growth. The continuous appraisal system of your Company strengthens the service ethics amongst the staff and helping them to realize their full potential. An enabling environment that fosters continuous learning and innovation remains a key focus area.

During the year under review, your company has made major changes in sales and marketing function making strategic division of its staff with the vision of maximizing sale of Orient and Bell brands Pan India. One of the major appointments during the year 2011-12 was of President (Sales & Marketing). Your Company has continued its efforts to improve HR related processes, practices and systems to align these to the organizational objectives. Industrial relations have continued to be cordial throughout the year. Proactive and collaborative approach towards industrial relations supported by a positive mindset amongst all employees ensured cordial employee relations.

As on 31st March 2012, the total number of employees on the payroll of the Company were 1159.

Disclaimer

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

De-Risking

Risk evaluation and its mitigation is a continuous process within the Organization. The Board periodically reviews the risks to ensure long term profitability and success of the company.

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

Risk Type	Risk Category	Nature of Risk	Measures to Mitigate Risk
Industry	Medium	Slow down in the industry can affect sales and viability of the business.	The tile industry is a long term growth industry linked to India's economic growth and is therefore more robust than the real estate industry since the refurbishment market provides additional demand. Per capita tile consumption is very low in India. The industry is expected to grow at over 15% over the next many years. There has been a slight slowdown in the economy affecting demand and cost of finance. However, the Company is now in an even stronger position with two well established brands and three factories located in major tile consuming markets. This places the Company in advantageous position vis-à-vis most of the competition.
Competition a. Imports	Medium	(i) Cheap imports from China can affect sales and margins.	The Government of India has imposed Anti Dumping Duty on tile imports from China which is expected to continue in the years to come. Moreover, tiles being a very heavy item and prone to breakage, freight costs and losses are high for importers. In the last year, rupee has also got de-valued against USD significantly adding to the cost of imported material and rendering most of the commonly imported products unviable. Orient Bell has acquired significant manufacturing capacities located near the market and has two popular brands. We are investing marketing and brand building to help us sustain and grow our sales and profitability in future.
		(ii) High end tile imports from Europe can affect high realization.	This threat has got significantly reduced due to advent of Digital technology in India. Now, only certain sizes that are not manufactured in India or certain unique designs have a market. We have turned this threat into opportunity by entering into premium imported tile segment through our brand 'Orient International'. As a result of having a complete product basket we have also got access to architect and interior designers and the dealer network that promotes imported products.
b. Local	High	Local competition from other organized and unorganized sector companies can affect price realization and sales.	There is a large unorganized sector in India. There are also larger organized sector tile companies in competition. We have got not only our Orient and Bell well-established brands but also we have local manufacturing capabilities, a large sales force and an established distribution network. We have also turned this threat into opportunity by outsourcing certain products as per our quality norms for the unorganized sector. In the current year trading from unorganized sector contributed about 20% of our total sale. In the coming years such trading is expected to grow in line with overall sales growth. With our further investment in marketing, branding and display showrooms our products will have a stronger brand pull. Orient Bell has drawn up plans to accelerate the investment in marketing, branding and aggressively built the display showrooms to create top of the mind recall which unorganized sector cannot compete on.

Risk Type	Risk Category	Nature of Risk	Measures to Mitigate Risk
Cost of Production & Margins	High	Increase in cost of natural gas and cost of raw materials, particularly imported ones may increase the cost of production substantially; putting pressure on margins and profitability.	Natural gas is sourced from GAIL. The Company has signed a long term contract with GAIL on 01.01.2009 in which the pricing formula is based on the average monthly price of previous years. Therefore, it is unlikely that a sudden increase in gas price will be witnessed even if the market price of crude oil and spot price of natural gas was to go up again. Moreover, the company has implemented production planning systems to ensure that the company operates within the gas quota allocated without using the spot gas which is available at substantially higher cost unless the product margins justify the higher costs. We have rationalized the number of vendors and have selected vendors that are closer to our plant; thereby reducing cost of transportation, storage as well as lead time. In our Dora plant we are operating with APM gas quota which is available at significantly lower cost than normal gas price. In Hoskote plant, we do not have natural gas availability and use LPG instead to run the plant. The price of LPG is much higher than natural gas. However, the Hoskote plant, is the only "Dry Process" plant in the Country which uses significantly less amount of fuel as compared to "Wet Process". The Company has now signed an agreement for laying gas pipeline for Hoskote plant which will be completed by end of 2013. We will then be able to use natural gas thereby notably reducing current fuel costs. The company has a detailed product costing system to measure cost of production / sales and profitability. Increased costs are passed on to the customers from time to time. Furthermore, to de-risk the company's margins, the company has launched high end products which give much better margins on sale to us. We have implemented several cost reduction measures in Dora & Hoskote plants. The material cost in both the plants has come down gradually and significantly over the current year while at the same time premium quality has improved by over 30%. The improvement is still continuing. The full year benefit is expected to be realized in the Current year.
Customers	Medium	Customer attrition or default risk.	With the acquisition of Bell Ceramics Limited, the Company has two very strong brands i.e. Orient and Bell and a large base of loyal customers. We have also been aggressively expanding our customer base through brands viz., making customer for Orient brand who is already an established customer of Bell brand and vice versa. To the Bell Brand customer who had limited option we have been able to add many new products through Orient's existing outsourcing tie ups. In the coming years and particularly with Digital printing the products options for customers of both brands will further enhance. We also run various product promotion and turnover discount schemes to ensure customer stickiness.

Risk Type	Risk Category	Nature of Risk	Measures to Mitigate Risk
Currency	Medium	The risk of fluctuations mainly in USD and Euro that would render imports costlier and affects cost of production indirectly.	The Company is not excessively dependent on imports and only imports a few raw materials. Moreover, this risk is self mitigating because when raw material imports become costlier, imported tiles become even more costly which gives local manufacturers a greater share in the market. Part of our natural gas pricing which is imported also depends on exchange rate of the previous year. This has affected adversely on our natural gas prices and cost of production. However, the exchange rate has now stabilized.
Human Resources	Low	Risk of employee attrition.	Employee attrition is within acceptable limit for the company due to employee friendly company policies, focus on training and development and other HR initiatives. With more recruitments completed at senior management level during the year, there is sufficient depth of management in all functions of the company.
Industrial Relations	Low	The risk of production suffering due to Industrial relations.	The Industrial relations in all the manufacturing plants are cordial. The Company has worker friendly policies and takes other necessary initiatives to ensure healthy and cordial relations.

CORPORATE GOVERNANCE REPORT

Company's philosophy on Corporate Governance

Your Company, to attain its objective of initiating quality corporate governance practices, continues to be transparent in its dealings and laying emphasis on integrity, accountability and regulatory compliances. One of its important goal is improvement in living standards and meeting social responsibility and it sincerely expects that through good corporate governance it would be able to protect, augment and meet the trust and expectations of the shareholders, customers, employees, suppliers, government agencies and the society. Your Company sought to achieve its goals with application of good corporate governance while ensuring utilisation of its resources effectively as well as ensuring accountability, transparency, fairness with the highest standards of ethics to meet the expectations of stakeholders and society at large. Your Company has always followed the best corporate practices and is constantly striving to improve upon them. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value sustained over a period of time.

In accordance with Clause 49 of the Listing Agreement, the report containing the Corporate Governance policies and practices adopted by the Company for the financial year 2011-12 is as under:

Board of Directors

I. Composition of Board

The Board consists of optimum combination of Executive and Non-Executive directors with three out of five directors (as on 31st March 2012) are Non-Executive Independent directors which together constitute 60% of the total number of Board of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement and is having an optimum combination of Executive and Non-Executive directors headed by executive chairman. The Board consists of the following five directors (as on 31st March 2012):

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

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

II. Attendance of Directors at the Board Meetings held during the financial year 2011-2012 and the last Annual General Meeting (AGM)

The detail of attendance of each director at the Board Meetings held during the year 2011-12 and last Annual General Meeting is as follows:

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

III. Details of other Directorships and Committee Memberships / Chairmanships

The details of other Directorships and Memberships / Chairmanships of Committees held by the Directors as on 31st March 2012 are as follows:

Sl. No.	Name of Directors	No. of Directorships in other Companies*	No. of Committee positions held in other Companies	
			Membership**	Chairmanship**
1.	Mr. Mahendra K Daga	2	None	None
2.	Mr. Madhur Daga	None	None	None
3.	Mr. R. N. Bansal	8	5	3
4.	Mr. Dhruv M. Sawhney	5	None	1
5.	Mr. N. R. Srinivasan	None	None	1

None of the directors on the Board is a member of more than 10 Committees or Chairman of more than five Committees as specified in Clause 49, across all the companies in which he is a director.

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

*** Membership / Chairmanship of Audit Committee and Shareholders' Grievance Committee of Indian Public Limited Companies are taken into consideration.*

IV. Meetings of the Board of Directors

Six Board meetings were held during the financial year 2011-12 on 13th May 2011, 26th May 2011, 19th July 2011, 2nd September 2011, 14th November 2011 and 14th February 2012 respectively. The maximum time gap between any two meetings was 91 days and the minimum time gap was 12 days. The necessary quorum was present at all the meetings. The agenda papers were circulated well in advance of each meeting of the Board of Directors.

Committees of the Board

(i) Audit Committee

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

All the members of Audit Committee are financially literate. Mr. R. N. Bansal, a senior fellow member of the Institute of Chartered Accountants of India and Independent Director of the Company, is the Chairman of the Audit Committee with Mr. N. R. Srinivasan and Mr. Mahendra K. Daga as the members. The Company Secretary acts as the Secretary of the Committee.

During the financial year ended on 31st March 2012, four Audit Committee meetings were held on 26th May 2011, 19th July 2011, 14th November 2011 and 14th February 2012 respectively. The summary of attendance is as under:

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

(ii) Shareholders / Investors Grievance and Share Transfer Committee

The Company's Shareholders / Investors Grievance and Share Transfer committee reviews compliance of rules and regulations, redresses shareholders' grievances and monitors the system of share transfer, transmission, sub-division and consolidation of physical share certificates and issue of duplicate share certificates. The Committee comprises of three Directors viz. Mr. N.R. Srinivasan as Chairman with Mr. Mahendra K. Daga and Mr. Madhur Daga as its members. The Company Secretary acts as the Secretary of the Committee. During the year ended 31st March 2012, two Committee meetings were held on 23rd June 2011 and 14th February 2012.

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

No complaint was outstanding at the beginning of the financial year i.e. on 01st April 2011. During the year 2011-12, the Company has received only one complaint from a shareholder which was duly resolved and no investor complaint is pending for disposal as on 31st March 2012.

(iii) Remuneration Committee

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

The Composition of Remuneration Committee as on 31st March 2012 is Mr. N. R. Srinivasan as Chairman, Mr. Dhruv M. Sawhney and Mr. R. N. Bansal as its members. The Company Secretary acts as the Secretary of the Committee. During the year under review no meeting of members of Remuneration Committee was held.

The details of remuneration paid to the Directors during the financial year 2011-12 are as follows:

(Amount in ₹)

Name of Director	Salary	Provident Fund	Perquisites	Commission	Sitting Fee	Total
Mr. Mahendra K. Daga	99,00,000	-	1,66,196	-	-	1,00,66,196
Mr. Madhur Daga	82,50,000	9,360	1,40,250	-	-	83,99,610
Mr. R. N. Bansal	-	-	-	-	1,10,000	1,10,000
Mr. Dhruv M. Sawhney	-	-	-	-	15,000	15,000
Mr. N. R. Srinivasan	-	-	-	-	1,00,000	1,00,000

Details of shareholding of Non-Executive Directors as on 31st March 2012

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

Remuneration Policy

Remuneration of managerial personnel consists of basic salary, allowances, commission and perquisites as per terms approved by the shareholders in terms of the provisions contained in the Companies Act, 1956. The remuneration policy is in consonance with the existing industry practice.

The Company does not operate any stock option scheme.

(iv) Finance and Borrowing Committee

The Borrowing Committee which was constituted by the Board of Directors on 15th June 2010 has been renamed as 'Finance and Borrowing Committee' on 19th July 2011. The Finance and Borrowing Committee has been delegated with the powers to manage the banking operations, to open / close bank accounts, decide on the operational limits / matrix of the authorised signatories in addition to the earlier delegated powers to borrow secured/ unsecured funds, otherwise than by way of debentures from potential lenders to meet out the funding needs of the Company as may be arising from time to time.

The Committee comprises three Directors viz. Mr. Mahendra K. Daga, Chairman, Mr. Madhur Daga and Mr. N.R. Srinivasan as its members. The Company Secretary acts as the Secretary of the Committee. The Committee met three times during the financial year ended 31st March 2012 and that is on 16th December 2011, 17th March 2012 and 29th March 2012. All the members were present at the meetings.

General Body Meetings

Detail of last three Annual General Meetings:

Year	Location	Day & Date	Time	Special Resolutions
2008-09	Regd. Off: 8, Industrial Area Sikandrabad - 203 205, Distt. Bulandshahr (U.P.)	Friday, 25th September 2009	11.30 a.m.	I. Reappointment and Remuneration of Mr. Mahendra K. Daga as Managing Director of the Company. II. To make alteration in Articles of Association by way of substitution of Clause 113 with modified clause.
2009-10	- do -	Tuesday, 31st August 2010	11.30 a.m.	I. Re-appointment of Mr. Madhur Daga as Executive Director. II. Payment of Commission to Non- Executive Directors of the Company until financial year 2013-14.
2010-11	-do-	Friday, 2nd September 2011	11.30 a.m.	There was no special resolution in the notice of Annual General Meeting.

All the above mentioned special resolutions were passed unanimously and no resolution was put through postal ballot.

During the year under review, following General Meetings of the Company except Annual General Meeting were held:

Year	Location	Day & Date	Time	Type of Meetings	Special Resolutions
2011-12	Regd. Off: 8, Industrial Area Sikandrabad - 203 205, Distt. Bulandshahr (U.P.)	Friday, 30th September 2011	11.00 a.m.	Court-convened meeting of unsecured creditors	Approval of scheme of amalgamation of Bell Ceramics Ltd. with Orient Bell Limited.
		Saturday, 1st October 2011	11.00 a.m.	Court-convened meeting of equity shareholders	
		Saturday, 1st October 2011	1.00 p.m.	Court-convened meeting of secured creditors	
2011-12	Regd. Off: 8, Industrial Area Sikandrabad - 203 205, Distt. Bulandshahr (U.P.)	Friday, 14th March 2011	11.30 a.m.	Extraordinary general meeting	Change of Name of Company from 'Orient Ceramics And Industries Ltd. to 'Orient Bell Limited'

Postal Ballot

During the year ended 31st March, 2012, no special resolution was passed through postal ballot and no resolution is proposed in the agenda of the ensuing Annual General Meeting which requires approval through Postal Ballot.

Disclosures

(i) The Company does not have any material related party transactions that may have potential conflict with the interests of the Company at large. The details of related party information and transactions are placed before the Audit Committee from time to time. The disclosures regarding the transactions with the related parties are disclosed in note no. 28 forming part of the financial statements.

(ii) The Company has complied with all the guidelines provided by stock exchanges and SEBI or any other statutory authority and no penalties or strictures were imposed on the Company on any matter relating to the capital markets, during the last three years.

(iii) The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has also fulfilled the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of the Listing Agreement with the stock exchanges:

(a) The Company has set up a Remuneration Committee as described above.

(b) Whistleblower Policy –
The Company has established a mechanism called 'Whistleblower Policy' which allows any employee to approach the management / the Audit Committee without necessarily informing their supervisors to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Further, this mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism.

Subsidiary Companies

During the year under review, on 30th March 2012 the subsidiary M/s Bell Ceramics Limited was amalgamated with the Company. The Company does not have any non-listed Indian subsidiary. However, during the year under review the Company has acquired M/s Elit International Trading (HK) Pvt. Ltd., a wholly owned subsidiary company, incorporated in Honk Kong.

Means of Communication

The quarterly, half yearly and annual results of the Company were sent to the BSE Ltd. and National Stock Exchange of India Ltd. where the equity shares of the Company are listed and the same were published in Financial Express (English) and Jansatta (Hindi) newspapers in compliance with the Listing Agreement.

The results have also been posted at Company's website viz. www.orientbell.com. The website of the Company also displays the information of the Company's products, dealers, availability among others. There were no presentations made to the institutional investors or analysts.

The Company also dedicated an e-mail id exclusively for redressal of investor complaints in compliance of Clause 47 (f) of listing agreement namely investor@orientbell.com.

Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the auditors' certificate is enclosed as Annexure-A to this Report.

CEO / CFO Certification

A certificate as stipulated in Clause 49(v) of the Listing Agreement duly signed by the Executive Director and VP (Accounts & Finance) who is heading the finance function, on financial statements of the Company is enclosed as Annexure-B to this report.

Code of Conduct

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

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year ended on 31st March, 2012."

Sd/-

Place: New Delhi — **Mahendra K. Daga**

Dated: 25th July 2012 — *Chairman & Managing Director*

General Shareholder Information

Annual General Meeting

Date	28th September, 2012
Time	11.30 a.m.
Venue	8, Industrial Area, Sikandrabad-203 205, Dist. Bulandshahr (U.P.)
Financial Year	1st April to 31st March

Financial reporting for financial year 2012-13 is as follows:

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

*Tentative and subject to change

Book Closure Dates for the purpose of dividend and Annual General Meeting

To determine the entitlement of shareholders to receive the dividend for the year ended 31st March 2012, the register of members and share transfer books of the Company will remain closed from 21st September, 2012 to 28th September, 2012 (both days inclusive) as well as for the purpose of Annual General Meeting.

Dividend Payment for 2011-12

Dividend on Equity Shares as recommended by the Directors for the year ended 31st March 2012 when declared at the Annual General Meeting will be paid within stipulated period:

a. To the members, whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company on or before 20th September, 2012.

b. In respect of shares held in electronic form, to those 'deemed members' whose names appear in the statements of beneficial ownership furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of the business hours on 20th September, 2012.

Listing

The equity shares of the Company are currently listed in the following Stock Exchanges:

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

*The name of the Company has been changed to Orient Bell Limited w.e.f. 15.03.2012 and accordingly its stock code in NSE has also been changed to ORIENTBELL.

The Company has duly paid the Annual Listing Fee to BSE and NSE for the financial year 2012-13.

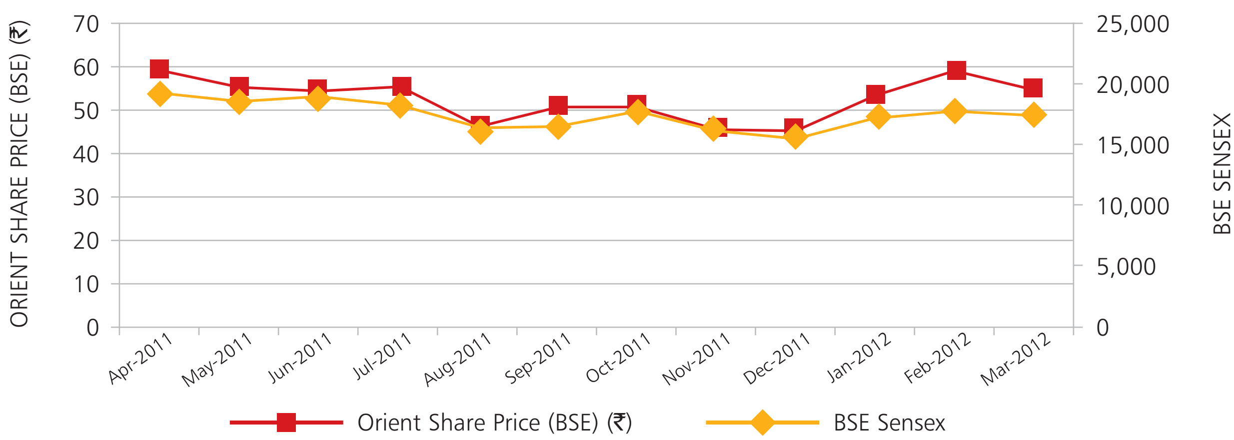
Market Price Data

The monthly high and low price of shares traded on the BSE Ltd and the National Stock Exchange of India Ltd are as follows:

Month	BSE Ltd.				BSE Sensex Month Close	National Stock Exchange of India Ltd.			
	High (₹)	Low (₹)	Month close (₹)	No. of shares Traded		High (₹)	Low (₹)	Month close (₹)	No. of shares Traded
Apr-11	72.70	54.50	58.75	28,414	19,135.96	72.25	55.00	58.40	1,20,073
May-11	65.00	51.10	54.95	31,327	18,503.28	62.75	48.55	54.35	31,430
Jun-11	59.00	48.20	53.75	13,415	18,845.87	57.50	46.50	52.90	33,988
Jul-11	63.85	51.00	55.20	12,884	18,197.20	58.20	50.45	55.50	19,936
Aug-11	60.00	43.15	46.25	15,270	16,676.75	59.00	44.00	46.10	27,994
Sep-11	55.00	45.20	50.45	8,815	16,453.76	53.00	42.55	46.75	7,859
Oct-11	59.45	45.00	50.40	7,318	17,705.01	53.85	44.00	49.65	9,832
Nov-11	55.95	42.25	45.50	14,350	16,123.46	55.10	43.00	46.00	21,705
Dec-11	52.95	41.70	45.20	12,326	15,454.92	53.00	40.10	47.50	16,828
Jan-12	56.80	42.55	53.00	9,618	17,193.55	55.80	45.05	52.85	76,292
Feb-12	75.60	44.35	58.70	57,349	17,752.68	78.35	50.00	59.30	1,70,364
Mar-12	69.85	52.60	54.50	27,029	17,404.20	62.55	52.00	53.85	49,088

Stock Price Performance

The performance of Company's equity shares during 2011-12 in comparison to Bombay Stock Exchange Sensitive Index was as follows:



Registrar and Share Transfer Agent

M/s MCS Ltd.
F-65, Okhla Industrial Area, Phase-I, New Delhi-110 020
Phone No. : (011) 41406149, Fax No. : (011) 41709881, E-mail : admin@mcsdel.com

Share Transfer System

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

Distribution of shareholding as on 31st March 2012

No. of Shares	Total shareholders	% total shareholders	Total shares	% total shares
Up to 500	2,922	78.25	4,68,591	4.45
501 to 1,000	387	10.36	2,84,838	2.71
1,001 to 2,000	216	5.78	3,02,537	2.87
2,001 to 3,000	81	2.17	1,98,890	1.89
3,001 to 4,000	26	0.70	92,255	0.88
4,001 to 5,000	30	0.80	1,37,229	1.30
5,001 to 10,000	36	0.96	2,54,739	2.42
10,001 to 50,000	22	0.59	4,22,983	4.02
50,001 and 1,00,000	5	0.13	3,63,329	3.45
1,00,000 and above	9	0.24	80,04,609	76.02
Total	3,734	100.00	1,05,30,000	100.00

Shareholding pattern as on 31st March 2012

Category	No. of Shares	% of total Shares
Promoter and Promoter Group	78,70,274	74.74
Bodies Corporate	2,36,029	2.24
General Public	23,98,968	22.78
NRIs / OCBs	24,729	0.24
Total	1,05,30,000	100.00

Dematerialisation of shares and liquidity

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

Status of dematerialisation as on 31st March 2012

Electronic holdings			Physical holdings			Total		
No. of Folios	No. of Shares	%	No. of Folios	No. of Shares	%	No. of Folios	No. of Shares	%
3,085	10,103,910	95.95	649	4,26,090	4.05	3,734	1,05,30,000	100

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

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

Outstanding GDRs / ADRs / Warrants

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

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

Corporate Office and Showroom:	Address for Correspondence:
Iris House, 16, Business Centre Nangal Raya New Delhi-110 046 Phone : (011) 47119100 Fax : (011) 28521273 E-mail : investor@orientbell.com Website: www.orientbell.com	Shareholder Services Orient Bell Limited Iris House, 16, Business Centre Nangal Raya, New Delhi-110 046 Phone: (011) 47119100 Fax : (011) 28521273 E-mail : investor@orientbell.com Website: www.orientbell.com

Plants:

1. 8, A-75 to A-80, A-84 & A-85
   Institutional Area,
   Sikandrabad, Bulandshahr (U.P.)
2. Village Dora, Taluka Amod,
   Dist. Bharuch – 392230, Gujarat.
3. Village Chokkahalli, Taluka Hoskote,
   Bangalore (Rural)- 562114
   Karnataka.

ANNEXURE 'A'

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

To the Members of
M/s. ORIENT BELL LIMITED

We have examined the compliance of the conditions of Corporate Governance by Orient Bell Limited, for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing agreement of the said Company with the stock exchange.

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

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

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

For S.R. Dinodia & CO.
Chartered Accountants

Sandeep Dinodia
Partner
M.No.083689

Place: New Delhi
Dated: 06.08.2012

ANNEXURE 'B'

The Board of Directors
Orient Bell Limited
Iris House,16, Business centre,
Nangal Raya
New Delhi-110046

Sirs,

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock exchanges, We Madhur Daga, Executive Director and Jaywant M. Puri, Vice President (Accounts & Finance) of the Company, hereby certify that :

(a) We have reviewed financial statements and the cash flow statement for the year 2011-2012 and that to the best of our knowledge and belief:

  (i) these statements do not contain any untrue statement or omit any fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

  (i) there were no significant changes in internal control over financial reporting during the year;

  (ii) that there have been no significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and

  (iii) that there have been no instances of any fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

	Madhur Daga	**Jaywant M. Puri**
Place : New Delhi	*Executive Director*	*Vice President*
Date : 30th May, 2012		*(Accounts & Finance)*

FINANCIAL SECTION

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
M/S ORIENT BELL LIMITED (FORMERLY KNOWN AS ORIENT CERAMICS AND INDUSTERIES LIMITED)

We have audited the attached Balance sheet of M/S ORIENT BELL LIMITED (FORMERLY KNOWN AS ORIENT CERAMICS AND INDUSTERIES LIMITED), as at 31st March 2012 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.

c) The Company's Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.

e) On the basis of written representations received from the directors as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

   ii) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and

   iii) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For **S. R. Dinodia & Co.**
Chartered Accountants
Regn. No 001478N

Sandeep Dinodia
Partner
M. No. 083689

Place: New Delhi
Dated: 30th May, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our audit report of even date)

(I) (a) The Company is maintaining records showing particulars including quantitative details and situation of fixed assets. However, the same is pending for updation on account of a few of the assets acquired on merger during the year.

(b) As explained to us, physical verification of fixed assets has been conducted by the management at reasonable intervals. In our opinion, the program of physical verification is reasonable having regard to the size of the Company and the nature of the fixed assets. We have been informed that no material discrepancies were noticed on such verification.

(c) In our opinion, fixed assets disposed off during the year were not substantial and therefore, do not affect the going concern assumption.

(ii) (a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion, the Company is maintaining proper records of inventory. We have been explained that no material discrepancies were noticed on physical verification as compared to book records.

iii) (a) According to information and explanation given to us, the Company has not given loan to any company, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clauses 4(iii)(b), (iii)(c) and (iii)(d) of the Companies (Auditor's Report) Order, 2003 are not applicable.

(b) According to information and explanation given to us, the company had taken loan from seven parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 15,00,00,000 and the year-end balance of loans taken from such parties was ₹ 15,00,00,000.

(c) In our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

(d) In respect of the aforesaid loans taken by the Company, the principal amount is repayable/ adjustable on the prerogative of the Company and the interest amount has been paid as stipulated.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and for the sales of goods. Further, on the basis of our examination of the books and record of the Company, carried out in accordance with the generally accepted auditing practices, there is no continuing failure to correct the weaknesses in the aforesaid internal control systems.

v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) The transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lacs in respect of any party during the year have been made at prices, which are reasonable with regard to the prevailing market prices at the relevant times.

vi) The Company has not accepted deposits within the meaning of section 58A, 58AA and the other relevant provisions of the Companies Act, 1956 and the rules framed there under.

vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

viii) The Central Government has not prescribed under section 209(1) (d) of the Companies Act, 1956, for the maintenance of any accounts and record in respect of products manufactured by the Company.

ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authority including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and any other statutory dues applicable to it.

According to the information & explanations given to us, no undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, details of dues in respect of Income Tax, Sales Tax, Custom duty, Excise Duty, Service Tax, cess that have not been deposited with the appropriate authorities on account of dispute are given below: -

Name of the Statute	Nature of Dispute	Amount (₹)	Period	Forum where dispute is pending
Local Sales Tax Act	Entry tax and other dues	11,91,100	2000-01 & 2003-04	Allahabad High Court
Local Sales Tax Act	Sales Tax	5,98,623	2003-04	Allahabad High Court
Central Excise Act	Excise And Other Dues	1,25,860	2005-06	Commissioner (Appeals) Noida
Service Tax under the Ordinance Act, 1944	Service Tax	7,66,054	2000-01 to 2002-03	Commissioner (Appeals) Noida
Custom Tariff Act, 1975	Custom Duty	85,00,000	2001-02	CEGAT, New Delhi
Income Tax Act, 1961	Income Tax demand	16,92,841	AY:1990-91	Supreme Court
Income Tax Act, 1961	Income Tax demand	22,37,194	AY:1995-96	Gujrat High Court
Income Tax Act, 1961	Income Tax demand	32,73,517	AY:2009-10	CIT (Appeals), New Delhi
U.P.Trade Tax Act	Sales Tax demand	1,88,487	2006-07	Jt.Com.(Appeals), Lucknow
A.P.VAT Act, 2005	Sales Tax demand	4,89,768	2005-06 & 2006-07	High Court of A.P.
A.P.VAT Act, 2005	Sales Tax demand	20,25,162	2006-07 to 2009-10	Addl Com (CT) (legal) A.P.
Central Excise & Customs Act	Excise & other Dues	20,000	1994-95	CESTAT, Mumbai
Central Excise & Customs Act	Excise & other Dues	21,53,688	2007-08	Commissioner (Appeals), Vadodra
Central Excise & Customs Act	Service Tax demand	5,87,570	2005 to 2011	Service Tax Deptt., Dora, Bharuch
Central Excise & Customs Act	Service Tax demand	2,29,898	2008-09 to 2010-11	Service Tax Deptt. Hoskote, Bangalore

x) Company does not have any accumulated losses at the end of the financial year and has not incurred the cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks and financial institutions during the year. There were no dues payable to debenture holders.

xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

xiii) In our opinion, the Company is not a chit fund or nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

xvi) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.

xvii) On the basis of information and explanation given to us and on an overall examination of the balance sheet, we report that during the year no funds raised by the Company on short-term basis have been used for long-term investment.

xviii) According to information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) During the year covered by our audit report, the Company has not issued any debentures. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xx) According to the information and explanation given to us, during the year covered under audit the company has not raised any money by way of public issue. Therefore, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, during the year we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For **S. R. Dinodia & Co.**
Chartered Accountants
Regn. No 001478N

Sandeep Dinodia
Partner
M. No. 083689

Place: New Delhi
Dated: 30th May, 2012

BALANCE SHEET as at March 31, 2012

(Amount in ₹)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	13,57,34,510	10,53,00,000
(b) Reserves and Surplus	4	155,66,56,765	58,29,20,056
		169,23,91,275	68,82,20,056
Non-Current Liabilities			
(a) Long-Term Borrowings	5	96,59,48,877	43,12,40,632
(b) Deferred Tax Liabilities (Net)	6	-	4,50,81,511
(c) Other Long Term Liabilities	7	21,37,333	16,57,934
(d) Long-Term Provisions	8	1,33,53,403	35,83,397
		98,14,39,613	48,15,63,474
Current Liabilities			
(a) Short-Term Borrowings	9	85,63,20,112	55,31,77,980
(b) Trade Payables	7	98,03,15,402	47,82,58,099
(c) Other Current Liabilities	7	27,06,43,731	18,37,42,973
(d) Short-Term Provisions	8	2,54,49,052	2,70,05,568
		213,27,28,296	124,21,84,620
Total		**480,65,59,184**	**241,19,68,150**
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		233,30,16,985	78,70,54,375
(ii) Intangible Assets		37,11,939	37,72,628
(iii) Capital Work-in-Progress		1,71,05,690	1,04,56,168
(iv) Intangible Assets under Development		12,19,985	-
(b) Non-Current Investments	11	20,24,08,207	20,07,81,657
(c) Deferred Tax Assets (Net)	6	1,08,75,105	-
(d) Long-Term Loans and Advances	12	9,18,39,854	7,84,51,184
(e) Other Non-Current Assets	14.2	2,12,99,006	1,42,60,515
		268,14,76,770	109,47,76,526
Current Assets			
(a) Inventories	13	107,36,32,394	69,11,92,092
(b) Trade Receivables	14.1	78,97,94,372	39,33,74,564
(c) Cash and Bank Balance	15	6,98,14,912	49,02,542
(d) Short-Term Loans and Advances	12	16,67,02,440	20,97,08,763
(e) Other Current Assets	14.2	2,51,38,297	1,80,13,661
		212,50,82,414	131,71,91,623
Total		**480,65,59,184**	**241,19,68,150**
Significant Accounting policies	2.1		

The Notes referred to above, form an integral part of the Financial Statements

As per our Report of even date attached

For S R Dinodia & Co.
Chartered Accountants
Regn. No 001478N

for & on behalf of Board of Directors
Orient Bell Limited

Sandeep Dinodia	Mahendra K. Daga	Madhur Daga	R.N. Bansal	N.R.Srinivasan
Partner	*Chairman & Managing Director*	*Executive Director*	*Director*	*Director*
M. No. 083689	DIN 00062503	DIN 00062149	DIN 00270908	DIN 00062317

Place: New Delhi
Dated: 30th May, 2012

Vijay Shankar Sharma
Chief Executive Officer

Yogesh Mendiratta
Company Secretary

Jaywant Puri
Vice President, Accounts & Finance

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2012

(Amount in ₹)

	Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
I.	Revenue from Operations (Gross)	16	585,32,55,132	313,39,96,632
	Less: Excise duty		39,05,07,483	22,32,89,608
	Revenue from Operations (Net)		546,27,47,648	291,07,07,024
II.	Other Income	17	1,27,96,535	1,32,58,171
III.	Total Revenue (I + II)		**547,55,44,183**	**292,39,65,196**
IV.	Expenses:			
	(a) Cost of Materials Consumed	18	113,49,62,879	63,48,36,085
	(b) Purchases of Stock-in-Trade	19	106,52,63,271	65,93,95,976
	(c) Decrease/ (Increase) in Inventories	19	(8,74,81,137)	(11,85,00,962)
	(d) Employee Benefits Expense	20	55,23,17,627	32,97,26,954
	(e) Finance Costs	21	21,93,41,307	9,01,68,589
	(f) Depreciation and Amortization Expense	22	19,01,74,667	9,77,88,114
	(g) Other Expenses	23	230,05,31,226	115,42,80,503
	Total expenses		**537,51,09,840**	**284,76,95,260**
V	Profit before exceptional and extraordinary items and tax (III-IV)		10,04,34,343	7,62,69,936
VI	Exceptional items	24	(1,12,47,940)	(6,78,43,851)
VII	Profit before tax (V - VI)		11,16,82,283	14,41,13,787
VIII	Tax expense:			
	Current Tax		2,25,62,072	5,58,63,354
	Less:- MAT Credit Entitlement		(2,25,62,072)	–
	Net Tax Expense		–	5,58,63,354
	Deferred Tax		11,24,391	(94,49,189)
	Income Tax Adjustment for Earlier Years		(2,40,98,794)	(19,132)
IX	Profit (Loss) after tax (VII-VIII)		13,46,56,686	9,77,18,754
X	Earnings per share:	25		
	(1) Basic		12.79	9.28
	(2) Diluted		9.92	9.28
	Significant Accounting Policies	2.1		

The Notes referred to above, form an integral part of the Financial Statements

As per our Report of even date attached

For S R Dinodia & Co.
Chartered Accountants
Regn. No 001478N

for & on behalf of Board of Directors
Orient Bell Limited

Sandeep Dinodia	Mahendra K. Daga	Madhur Daga	R.N. Bansal	N.R.Srinivasan
Partner	*Chairman & Managing Director*	*Executive Director*	*Director*	*Director*
M. No. 083689	DIN 00062503	DIN 00062149	DIN 00270908	DIN 00062317

Place: New Delhi
Dated: 30th May, 2012

Vijay Shankar Sharma
Chief Executive Officer

Yogesh Mendiratta
Company Secretary

Jaywant Puri
Vice President, Accounts & Finance

CASH FLOW STATEMENT for the year ended March 31, 2012

(Amount in ₹)

Particulars		Year ended March 31, 2012	Year ended March 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax		11,16,82,283	14,41,13,787
Adjustments for:			
Depreciation and amortization		19,01,74,667	9,77,88,114
Interest Paid		21,80,50,019	9,01,68,589
loss on sale of fixed assets		8,01,720	7,23,595
Loss on exchange fluctuation		23,03,735	(6,29,851)
Interest Income		(37,58,187)	(64,23,014)
Misc. liability written back		(21,40,707)	–
Sundry Balance Written Off		26,42,079	10,16,465
Depreciation Written Back		(1,12,47,940)	–
Operating profit before working capital changes		**50,85,07,669**	**32,67,57,686**
Movement in working capital:			
Increase/(Decrease) in Trade Payables		16,33,05,826	6,34,67,711
Increase/(Decrease) in Provisions		1,02,98,365	6,22,229
(Increase)/Decrease in Trade Receivables		(26,09,75,036)	(20,20,51,620)
(Increase)/Decrease in Inventories		(4,11,56,282)	(11,68,72,876)
(Increase)/Decrease in Loan and Advances and Other Current Assets		8,13,99,190	(1,72,09,781)
Cash generated from operations		**46,13,79,732**	**5,47,13,349**
Direct Tax paid (Net of Refunds)		1,58,13,424	5,63,21,781
Net cash inflow from/(used in) operating activities	(A)	**44,55,66,308**	**(16,08,432)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(11,67,26,337)	(9,60,92,650)
Purchase of CWIP		(78,69,507)	–
Sale of Fixed Assets		77,09,412	19,31,879
Purchase of Investment		(20,24,08,207)	(20,07,81,657)
Sale of Investment		20,07,81,657	–
Interest Income		37,58,187	64,23,014
Net cash from/ (used in) investing activities	(B)	**(11,47,54,795)**	**(28,85,19,414)**

(Amount in ₹)

Particulars		Year ended March 31, 2012	Year ended March 31, 2011
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (Decrease) in Borrowings		(6,68,46,086)	39,05,92,095
Dividend Paid		(2,45,57,803)	(2,45,57,803)
Interest paid (net)		(21,69,65,640)	(9,01,68,589)
Purchase consideration for Amalgamation		3,04,34,510	–
Net cash inflow from/(used in) financing activities	**(C)**	**(27,79,35,019)**	**27,58,65,703**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**5,28,76,494**	**(1,42,62,144)**
Cash and cash equivalents acquired on Amalagamation		56,15,293	–
Cash and cash equivalents at the begining of the year		17,32,604	1,59,94,748
Cash and cash equivalents at the end of the year		**6,02,24,391**	**17,32,604**
Components of cash and cash equivalents			
Cash on hand		12,39,236	3,71,310
Cheques on hand		7,61,106	–
With banks - on current account		5,69,48,005	3,23,733
- on unpaid dividend account		12,76,044	10,37,561
Total Cash and Cash equivalent (Note no. 14)		**6,02,24,391**	**17,32,604**

As per our Report of even date attached

For S R Dinodia & Co.
Chartered Accountants
Regn. No. 001478N

for & on behalf of Board of Directors
Orient Bell Limited

Sandeep Dinodia	**Mahendra K. Daga**	**Madhur Daga**	**R.N. Bansal**	**N.R.Srinivasan**
Partner	*Chairman & Managing Director*	*Executive Director*	*Director*	*Director*
M. No 083689	DIN 00062503	DIN 00062149	DIN 00270908	DIN 00062317

Place: New Delhi
Dated: 30th May, 2012

Vijay Shankar Sharma	**Yogesh Mendiratta**	**Jaywant Puri**
Chief Executive Officer	*Company Secretary*	*Vice President, Accounts & Finance*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 1 : CORPORATE INFORMATION

Orient Bell Limited (the Company) (formerly Known as Orient Ceramics And Industries Limited) is a public company domiciled in India and incorporated under the provision of the Companies Act, 1956. Its shares are listed on two stock exchanges in India viz, NSE and BSE. The company is engaged in the manufacturing, trading and selling of reputed brand of ceramic and floor tiles.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNT

Accounting Convention

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared the financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) rules, 2006, (as ammended) and the relevant provisions of the companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for Building situated at Hoskote and Dora unit which are carried at revalued amounts.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policies explained below.

NOTE 2.1 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNT

a) Change In Accounting policy

Presentation and Disclosure of financial Statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. There is a significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Valuation of Inventories

In earlier periods, the Hoskote and Dora unit of the Transferor Company were using weighted average method to ascertain the cost of inventories. In the current year consequent upon the orders of Hon'ble High Court approving the scheme of Amalgamation u/s 391 to 394 (for further details refer to note no 26), the said policy was changed to bring it in line with the Transferee company. In accordance with the revised policy, the company ascertains the cost of inventories at Hoskote and Dora unit on First In First Out (FIFO) Basis.

Had the company continued to use the earlier policy of ascertaining the cost of inventories at Hoskote and Dora unit at weighted average basis, the credit to the statement of profit and loss after tax for the current period would have been higher by ₹ 9,27,216 and current assets would correspondingly have been higher by ₹ 9,27,216.

b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets & liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could results in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

c) Fixed Assets

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

d) Intangible Assets

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

e) Depreciation/ Amortization

Depreciation is provided on straight-line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 except on Plant & Machinery which is provided as under:

=> For plant & machinery installed at Sikandrabad plant till 31st March 2011, rate has been calculated on the basis of estimated useful life.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

=> Certain plants, subassemblies at Dora and Hoskote unit having limited life span of three years which have been written off over such life span.

The assets costing up to ₹ 5,000 are fully depreciated in the year of purchase. Leasehold properties are amortized over the period of respective lease.

f) Revenue/Purchase Recognition

Revenue is recognized to the extent that it is probabale that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenus is recognized:

Sale of goods

Revenue from sale of goods is recognised when all the significant risk and rewards of ownrship of the goods have been passed to the buyer, usually on the delivery of the goods. The company collects sales tax and value added tax on behalf of the governement, therefore, these are not economic benefits flowing to the company, hence, these are excluded from the revenue. Further Trade discounts are excluded from the Revenue. Excise duty deducted from Revenue (Gross) is the amount that is included in the revenue (Gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable rate. Interest income is included under the head "Other Income" in the Statement of Profit and Loss Account".

Dividend

Dividend income from investments is recognised when the company's right to receive dividend is established by the reporting date.

Other Income

Export incentives and Rental Incomes are accounted on accrual basis.

Claims are accounted on acknowledgement from the appropriate authority.

Purchase of material is recognized on the basis of receipt of material in the factory premises.

g) Borrowing Cost

Borrowing costs includes Interest, Amortisation of ancialliary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

h) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investments. All other investments are classified as Long Term Investments.

Initial Recognition

All investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Carrying Amount of Investments

- Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.
- Long Term Investments are carried at cost. However, provision for diminution in value is made to recognised a decline other than temporary in the value of the investments.

Disposal of Investments

The difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) CENVAT and Excise Duty

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

j) Inventories

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

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

k) Translation of Foreign Currency items

Initial Recognition

Transactions denominated in Foreign Currencies are recorded at the exchange rate prevailing at the time of the transaction.

Exchange Differences

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss in the period in which they arise.

Conversion

Items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.

l) Taxes on Income

Tax expense comprises current tax and deferred tax.

Current Tax

Current Tax is measured is expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to the items recognised directly in equity is recognised in equity and not in the statement of Profit and Loss.

Deferred Tax

Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to the items recognised directly in equity is recognised in equity and not in the statement of Profit and Loss. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Such assets are reviewed as at each balance sheet date to re-assess realization.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit entitlement ". The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

m) Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered. Terminal benefits are recognized as an expense immediately.

Defined Contribution Plan

The company has defined contribution plans for the post employment benefits' namely provident fund and employee state

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

insurance scheme. The company contributions in the above plans are charged to revenue every year.

Defined Benefit Plan

The company has defined benefit plans namely leave encashment/ compensated absence and gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each year.

- The company through its trust has taken a policy, for employees of Head Office and Sikandrabad Unit, with Kotak Mahindra Old Mutual Life Insurance Ltd. to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of the employees at the year-end and the balance of funds with Kotak Mahindra Old Mutual Life Insurance Ltd. is provided for as liability in the books. For the employees at Dora and Hoskote unit, company has taken an Employees' Gratuity Scheme which is a defined benefit plan of Life Insurance Corporation of India. The company contributes to the fund on the basis of the year - end liability acturially determined in pursuance of the scheme.
- Certain employees of Dora and Hoskote Unit are covered by a superannuation fund benefit of Life Insurance Corporation of India at a company contribution 15% of basic salary. This is a defined contribution scheme and the contributions are charged to Statement of Profit and Loss of the year when the contribution to the fund is due. There are no obligations other than the contribution payable to the fund.
- Provisions for leave encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.

Actuarial gains/losses are immediately taken to Statement of Profit and Loss.

n) Impairment of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount is determined. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses of continuing operations, including impairment on Inventories, are recognised in the statements of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to Revaluation Reserve. In this case, the impairment is also recognised in the revaluation reserve upto the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as revaluation increase.

o) Provision, Contingent Liabilities and Contingent Assets

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

p) Lease

Leases, where lessor effectively retains all the substantially all the risk and benefits of ownership of the leased item, are classified as Operating Lease. Operating lease payments are recognised as an expense in the statement of profit and loss on straight - line- basis over the leased term.

q) Earning Per Share

Basic Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r) Cash flow Statement

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 3 : SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Authorised:		
4,00,00,000 (P/Y 1,50,00,000) Equity Shares of ₹ 10/- each	40,00,00,000	15,00,00,000
1,50,00,000 (P/Y Nil) Non Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each	15,00,00,000	–
	55,00,00,000	15,00,00,000
Issued, Subscribed & Paid-up:		
1,05,30,000 (P/Y 1,05,30,000) Equity Shares of ₹ 10/- each fully paid up10,53,00,000	10,53,00,000	
Shares Pending Allotment on Amalgamation	3,04,34,510	–
30,43,451 (P/Y Nil) Equity Shares of ₹ 10/- each fully paid up		
	13,57,34,510	10,53,00,000

(a) Aggregate Number of Bonus Shares Issued During the period of Five years immediately preceeding the reporting date:

Particulars	As at March 31, 2012 No. of Shares	As at March 31, 2011 No. of Shares
Equity shares allotted as fully paid bonus shares by capitalization of Capital Reserve	–	5,550
Equity shares allotted as fully paid bonus shares by capitalization of Securities Premium	–	14,40,000
Equity shares allotted as fully paid bonus shares by capitalization of General Reserve	58,50,000	67,44,450

(b) Reconciliation Statement of Equity Share Capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	Amount	No. of Shares	Amount
Balances of Shares at the beginning of the year	1,05,30,000	10,53,00,000	1,05,30,000	10,53,00,000
Add:- Addition during the year	–	–	–	–
Less:- Buy back during the year	–	–	–	–
Balances of Shares at the end of the year	1,05,30,000	10,53,00,000	1,05,30,000	10,53,00,000

(c) Terms/right attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2012, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 1.5 (March 31, 2011: ₹ 2). In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of shareholder holding more than 5 percent shares in the company

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid up				
Sh M K Daga - Promoter	28,01,054	27%	28,01,054	27%
Sh Madhur Daga	9,45,993	9%	9,45,993	9%
Good Team Investment & Trading Company Pvt Limited	23,62,914	22%	23,62,914	22%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 4 : RESERVES AND SURPLUS

(Amount in ₹)

Particulars		As at March 31, 2012	As at March 31, 2011
Capital Reserve			
Balances at the beginning of the year		–	–
Add:- Addition on account of Amalgamation		25,57,050	–
Less:- Deletion / Utilization during the year		–	–
Balances at the end of the year	(A)	25,57,050	–
Capital Restructuring A/c			
Balances at the beginning of the year		–	–
Add:- Addition on account of Amalgamation		46,15,903	–
Less:- Deletion / Utilization during the year		–	–
Balances at the end of the year	(B)	46,15,903	–
Amalgamation Reserve			
Balances at the beginning of the year		–	–
Add:- Addition on account of Amalgamation		9,13,03,550	–
Less:- Deletion / Utilization during the year		–	–
Balances at the end of the year	(C)	9,13,03,550	–
Share Premium			
Balances at the beginning of the year		–	–
Add:- Addition on account of Amalgamation		10,00,00,000	–
Less:- Deletion / Utilization during the year		–	–
Balances at the end of the year	(D)	10,00,00,000	–
Revaluation Reserve			
Balances at the beginning of the year		–	–
Add:- Addition on account of Amalgamation		66,13,17,492	–
Less:- Adjusted against depreciation for the year		1,41,57,971	–
Balances at the end of the year	(E)	64,71,59,521	–
General Reserve			
Balances at the beginning of the year		32,05,05,370	27,05,05,370
Add:- Addition during the year		5,00,00,000	5,00,00,000
Add:- Addition on account of Amalgamation		9,32,71,665	–
Less:- Deletion / Utilization during the year		–	–
Balances at the end of the year	(F)	46,37,77,035	32,05,05,370
Surplus / (Deficit) in the statement of Profit & Loss			
Balances as per last Financial statements		26,24,14,686	23,92,53,735
Less: - Loss of the amalgamated company (Refer Note No. 26)		(10,85,99,811)	–
Add: - MAT Credit Entitlement (F. Y 2011-12) (Refer Note No. 26)		3,24,35,252	–
Add: - Profit for the year		13,46,56,686	9,77,18,754
Less: - Appropriations during the year			
- Proposed Dividend on Equity Shares		2,03,60,177	2,10,60,000
(Dividend per share ₹ 1.50 (P/Y : ₹ 2/-)			
- Tax on Proposed Dividend		33,02,930	34,97,803
- Transfer to General Reserve		5,00,00,000	5,00,00,000
Balance at the end of the year	(G)	24,72,43,706	26,24,14,686
Total Reserves & Surplus (A+B+C+D+E+F+G)		155,66,56,765	58,29,20,056

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 5: LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Term Loans				
From Banks				
Corporate loans (secured)	55,18,06,374	12,02,49,752	5,12,22,667	6,23,28,667
Vehicle loans (secured)	60,27,680	2,57,954	42,54,600	1,15,412
Corporate loans (unsecured)	7,14,05,099	7,59,42,361	45,37,262	40,57,639
Buyers Credit (secured)	73,49,637	1,12,06,599	–	–
From Financial Institutions (Unsecured)	6,00,00,000	5,00,00,000	–	–
Other Loans And Advances				
From Related Parties (unsecured) (Refer Note No.28)	15,00,00,000	12,33,00,000	–	–
From Others	1,00,36,870	–	–	–
Trade Deposits (Unsecured)	10,93,23,217	5,02,83,966	–	–
	96,59,48,877	**43,12,40,632**	**6,00,14,529**	**6,65,01,718**
The above amounts includes -				
Secured Borrowings	56,51,83,690	13,17,14,305	5,54,77,267	6,24,44,079
Unsecured Borrowings	40,07,65,186	29,95,26,327	45,37,262	40,57,639
Amount disclosed under "Other Current Liabilities" (Note 6)	–	–	(6,00,14,529)	(6,65,01,718)
Total Borrowings	**96,59,48,877**	**43,12,40,632**	–	–

The nature of Security for Secured Loans are :

a. (i) The Term Loan from IDBI Bank and Axis Bank is secured by way of first pari passu charge on entire fixed assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the current assets of the company.

(ii) The Term Loan from State Bank Of India is secured by way of first pari passu charge on entire current assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the fixed assets of the company.

(iii) Vehicle loans are secured by way of hypothecation of respective vehicles.

b. Maturity profile of Secured Term Loans are as set out below :

	2013-14	2014-15	2015-16	Beyond 2015-16
(i) Term loan from banks are repayable in monthly/quarterly/yearly installments.	20,10,02,373	15,09,56,000	14,20,70,000	5,77,78,000
(ii) Vehicle loans from banks are repayable in monthly installments.	42,08,228	16,21,589	1,97,863	–
(iii) Buyers Credit is due for repayment in 2014-15.				

The nature of guarantee for Unsecured Loans are :

c. (i) Unsecured loan from Bank is secured against property of Promoter at Kolkata.

(ii) Unsecured loan from NBFC is secured by pledge of the shares belonging to Promoters, other than their holding in OBL.

d. Maturity profile of Unsecured Term Loans are as set out below

	2013-14	2014-15	2015-16	Beyond 2015-16
(i) Term loan from bank is repayable in monthly installments.	51,25,372	57,89,707	65,40,154	5,43,07,215
(ii) Loan from NBFC is repayable in 2013-14.	6,00,00,000	–	–	–

(iii) Loans & Advances from Related Parties are repayable at the prerogative of the company.

(iv) Loan from others includes loans from erstwhile promoters of M/s Bell Ceramics Ltd. and is payable after all formalities of acquisition.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 6 : DEFERRED TAX LIABILITIES/ (ASSETS) (NET)

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	17,62,46,254	5,17,14,067
Gross Deferred Tax Liability	17,62,46,254	5,17,14,067
Deferred Tax Assets		
Unabsorbed Depreciation / Business Loss	17,34,50,970	–
Provision for Doubtful Debts	43,15,863	12,06,682
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	92,08,848	54,25,874
Others	1,45,678	–
Gross Deferred Tax Assets	18,71,21,359	66,32,556
Net Deferred Tax Liabilities/ (Assets)	(1,08,75,105)	4,50,81,511

NOTE 7 : OTHER LIABILITIES

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Trade Payables	–	–	98,03,15,402	47,82,58,099
(refer note (a) below for details of dues to micro and small enterprises)				
Others				
Current maturities of long-term borrowings (Refer note 5)	–	–	6,00,14,529	6,65,01,718
Book Overdraft	–	–	16,11,501	–
Unpaid dividends (refer note (b) below)	–	–	12,72,080	10,37,561
Other Payables	–	–		
Statutory Dues Payable	–	–	11,84,68,194	7,59,35,401
Other Liabilities	21,37,333	16,57,934	8,92,77,427	4,02,68,293
	21,37,333	16,57,934	27,06,43,731	18,37,42,973
Total	21,37,333	16,57,934	125,09,59,132	66,20,01,072

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

b) It does not include any amount due to be transferred to Investor Education and Protection Fund.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 8 : PROVISIONS

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provisions for Employee Benefits				
Leave Encashment	1,33,53,403	35,83,397	17,28,727	2,04,782
Other Provisions				
Proposed Dividend	–	–	2,03,60,177	2,10,60,000
Provision for tax on Proposed dividend	–	–	33,02,930	34,97,803
Provision for current tax	–	–	–	21,90,780
[March 31 2011: Net of advance tax of ₹ 16,90,04,896)				
Provision for wealth tax	–	–	57,218	52,203
[Net of advance tax of ₹ 1,36,020 (March 31 2011: ₹ 1,36,020)]				
	1,33,53,403	35,83,397	2,54,49,052	2,70,05,568

Particulars	As at March 31, 2012	As at March 31, 2011
a) Contingent liabilities		
Claims against company not acknowledged as debt	2,30,90,413	1,28,52,661
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,29,81,292	–

NOTE 9 : SHORT TERM BORROWINGS

Particulars	As at March 31, 2012	As at March 31, 2011
Term Loans From Banks (Secured)		
Buyers Credit	2,01,14,638	1,16,72,903
Other Loans from Banks (secured)		
Cash Credit	70,63,50,294	27,31,60,077
Working Capital demand loan	12,98,55,180	26,83,45,000
Total Short Term Borrowings	85,63,20,112	55,31,77,980

The nature of Security for borrowings are as under:

a. The Company has a consortium of Various bankers namely State Bank of India, Punjab National Bank, IDBI Bank, ING Vyasa Bank, Axis Bank, Bank of Bahrain & Kuwait and Bank of India (hereafter called the "Consortium") for secured loans borrowings.

b. The Working Capital Loans including Buyers Credit are primarily secured by way of first pari passu charge on entire current assets of the company and collateraly by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 10 : FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK					DEPRECIATION						NET BLOCK	
	As at April 1, 2011	Addition During the Year: On Account of Merger	Addition During the Year: Others	Deduction During the year	As at March 31, 2012	As at April 1, 2011	Addition On Account of Merger	For the year	Deduction/ Adjustments During the year	Charged to Revaluation Reserve	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
A. Tangible Assets													
Land													
- Freehold	13,57,36,253	44,49,02,600	4,62,000	–	58,11,00,853	–	–	–	–	–	–	58,11,00,853	13,57,36,253
- Leasehold	1,86,64,330	–	–	–	1,86,64,330	28,77,123	–	2,07,382	–	–	30,84,505	1,55,79,825	1,57,87,207
Buildings											–		
- Factory	27,33,20,194	50,24,22,722	79,41,799	–	78,36,84,716	8,64,40,560	12,63,86,416	3,18,31,622	–	–	24,46,58,598	53,90,26,117	18,68,79,634
- Others	–	5,88,23,349	–	–	5,88,23,349	–	74,81,649	10,87,536	–		85,69,185	5,02,54,164	–
Leasehold Improvements	1,17,97,615	–	1,34,60,497	–	2,52,58,112	20,74,995	–	32,58,318	–	–	53,33,314	1,99,24,798	97,22,620
Plant and Equipment	152,15,31,269	199,81,49,610	7,21,12,313	1,65,36,618	357,52,56,575	114,31,63,227	124,91,76,764	15,46,66,390	2,01,07,559	–	252,68,98,823	104,83,57,752	37,83,68,042
Furniture and fixtures	4,13,64,407	1,12,44,793	34,11,054	2,21,999	5,57,98,255	97,66,771	89,85,635	48,83,582	2,32,237	–	2,34,03,751	3,23,94,504	3,15,97,635
Vehicles	1,83,59,035	78,93,649	1,36,96,244	27,48,962	3,71,99,966	47,95,081	40,82,061	30,31,816	11,72,956	–	1,07,36,002	2,64,63,965	1,35,63,954
Office Equipments	1,34,50,348	93,93,371	18,21,918	12,000	2,46,53,637	51,36,526	64,51,379	11,23,800	87,750	–	1,26,23,955	1,20,29,682	83,13,822
Computers	1,78,15,120	2,08,16,737	18,98,630	1,08,500	4,04,21,987	1,07,29,912	2,02,95,404	22,75,731	7,64,385	–	3,25,36,663	78,85,324	70,85,207
Total	**205,20,38,572**	**305,36,46,832**	**11,48,04,455**	**1,96,28,079**	**520,08,61,779**	**126,49,84,197**	**142,28,59,309**	**20,23,66,175**	**2,23,64,887**	**–**	**286,78,44,794**	**233,30,16,985**	**78,70,54,375**
B. Intangible Assets													
Computer software	2,11,85,919	–	19,21,882	–	2,31,07,801	1,74,13,290	–	19,82,572	–	–	1,93,95,862	37,11,939	37,72,628
Total	**2,11,85,919**	**–**	**19,21,882**	**–**	**2,31,07,801**	**1,74,13,290**	**–**	**19,82,572**	**–**	**–**	**1,93,95,862**	**37,11,939**	**37,72,628**
C. Capital Work in Progress													
CWIP	–	–	–	–	–	–	–	–	–	–	–	1,71,05,690	1,04,56,168
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,71,05,690**	**1,04,56,168**
D. Intangible Assets under development													
- Software	–	–	–	–	–	–	–	–	–	–	–	12,19,985	–
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**12,19,985**	**–**
Previous Year	199,63,50,499	–	8,32,11,295	63,37,303	207,32,24,491	118,82,91,207	–	9,77,88,114	36,81,828	–	128,23,97,493	79,08,26,998	80,80,59,292

Notes:

1. Lease Deed of part of the Leasehold land is yet to be executed in the name of the company.
2. Assets acquired on account of Amalgamation includes Land & Building (Dora & Hoskote units) of Bell Ceramics Limited which was revalued based on the report by a certified valuer as at 31st December 2010 (Other Land & Buildings being insignificant and not having change in value). The historical cost of Land and Building was ₹ 2,24,65,291 and ₹ 31,87,04,446 and their fair values were determined as ₹ 44,49,02,600 and ₹ 56,11,59,900 respectively and therefore an equivalent amount has been credited to Revaluation Reserve account.

   The method adopted by the certifed valuer for both the units for revaluation purpose, was Fair Market Value Method. In acordance with the option given in the Guidance Note on Accounting for Depreciation in Companies, the company recoups such additional depreciation out of Revaluation reserve

   Consequent to said Revaluation there is an additional charge of depreciation of ₹ 1,41,57,971 (March 31, 2011: Nil) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Statement of Profit and Loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

(Amount in ₹)

Note 11 : NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2012	As at March 31, 2011
Trade investments (Valued at Cost,unless stated otherwise)		
Investment In equity instruments of subsidiaries		
Unquoted		
20,000 Shares of HKD 1 each fully paid-up of ELIT International Trading (HK) Pvt. Ltd. (March 31 2011:Nil)	1,32,400	–
Quoted		
Nil (82,44,184 Shares of ₹ 10 each fully paid-up of Bell Ceramics Ltd.)	–	20,07,81,657
Non- Trade investments (Valued at Cost,unless stated otherwise)		
Investment in Controlled Entity		
Investment in Orient Bell Holding Trust (March 31 2011:Nil)	20,22,75,807	–
(Yet to be dematerialzed in the name of Orient Bell Holding Trust)		
	20,24,08,207	20,07,81,657

Aggregate cost of unquoted investment ₹ 20,24,08,207 (March 31 2011: Nil)
Aggregate cost of quoted investment ₹ Nil (March 31 2011: 20,07,81,657)
Aggregate Market Value of quoted investment ₹ Nil (March 31 2011: 14,30,36,592)

NOTE 12 : LOANS AND ADVANCES

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital Advances				
Unsecured, considered good	16,40,211	50,29,382	–	–
(A)	16,40,211	50,29,382	–	–
Security Deposits				
Unsecured, considered good	3,52,02,319	7,34,21,802	5,65,14,196	7,50,969
(B)	3,52,02,319	7,34,21,802	5,65,14,196	7,50,969
Loan and Advances to Related Parties				
(Refer Note No. 28)				
Unsecured, considered good	–	–	–	13,04,02,707
(C)	–	–	–	13,04,02,707
Advance Recoverable in cash or in Kind				
Unsecured - considered good	–	–	1,85,47,031	1,18,61,205
Unsecured - Considered Doubtful	–	–	26,62,354	–
	–	–	2,12,09,385	1,18,61,205
Less: Provision for doubtful advances	–	–	26,62,354	–
(D)	–	–	1,85,47,031	1,18,61,205
Other Loans and Advances				
Advance Income Tax				
[(Net of Provision for taxation: ₹ 12,78,93,703)]	–	–	1,52,77,336	–
Balance with Government Authorities	–	–	5,42,33,639	4,89,13,250
MAT Credit Entitlement	5,49,97,324	–	–	–
Interest Accrued on Security Deposit	–	–	10,57,199	7,17,864
Prepaid expenses	–	–	1,00,16,535	57,54,287
Advances to Employees	–	–	1,10,56,505	1,13,08,481
(E)	5,49,97,324	–	9,16,41,213	6,66,93,882
Total Loans & Advances (A+B+C+D+E)	9,18,39,854	7,84,51,184	16,67,02,440	20,97,08,763

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

(Amount in ₹)

NOTE 13 : INVENTORIES

Particulars	As at March 31, 2012	As at March 31, 2011
Raw Materials (includes in transit ₹ 2,64,35,026 (March 31, 2011: ₹ 6,67,498))	13,68,11,503	10,07,14,173
Work In Progress	1,79,21,954	2,30,64,041
Finished Goods	65,39,52,661	42,91,73,458
Traded Goods	10,62,03,285	4,05,47,998
Packing Material	1,40,62,935	59,10,507
Stores and Spares	14,46,80,057	9,17,81,915
	107,36,32,394	69,11,92,092

NOTE 14 : TRADE RECEIVABLES & OTHER ASSETS

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
14.1 - Trade Receivables				
(Unsecured, considered good unless stated otherwise)				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	–	–	36,63,929	30,18,216
Unsecured, considered good	–	–	6,56,36,465	1,23,05,189
Unsecured, Doubtful	–	–	1,06,39,737	36,32,669
	–	–	7,99,40,131	1,89,56,074
Less: Provision for doubtful recievables	–	–	1,06,39,737	36,32,669
(A)	–	–	6,93,00,394	1,53,23,405
Other Receivables				
Secured, considered good	–	–	6,67,55,193	1,93,53,661
Unsecured, considered good	–	–	65,37,38,785	35,86,97,498
(B)	–	–	72,04,93,978	37,80,51,159
Total (A+B)	–	–	78,97,94,372	39,33,74,564
14.2 - Other Assets				
(Unsecured, considered good unless stated otherwise)				
Non-current bank balances (refer note 15)	1,97,11,388	1,40,39,843	–	–
Others				
Interest accrued on fixed deposits	15,87,618	2,20,672	4,59,413	49,824
Export incentive recoverable	–	–	37,32,173	47,45,999
Advances to Suppliers	–	–	2,09,46,711	1,32,17,838
	2,12,99,006	1,42,60,515	2,51,38,297	1,80,13,661

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 15 : CASH & BANK BALANCES

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Cash & Cash Equivalents				
Balances with Banks :				
In Current Account	–	–	5,69,48,005	3,19,770
In Unpaid Dividend Account	–	–	12,76,044	10,41,524
Cash in hand	–	–	8,45,097	3,46,728
Foreign Currency in Hand	–	–	3,94,139	23,848
Cheques in Hand	–	–	7,61,106	–
Others Bank Balances				
Franking Stamps	–	–	–	734
Deposits with original maturity of more than 3 months but less than 12 months	–	–	36,84,348	20,76,501
Deposits with original maturity of more than 12 months	1,97,11,388	1,40,39,843	59,06,173	10,93,437
	1,97,11,388	**1,40,39,843**	**6,98,14,912**	**49,02,542**
Amount disclosed under non-current assets (refer note 14.2)	1,97,11,388	1,40,39,843	–	–
	–	–	**6,98,14,912**	**49,02,542**

a) Fixed Deposits with a carrying amount of ₹ 2,89,76,661 (March 31, 2011 ₹ 1,70,00,000) are subject to first charge to secure the Company's Loans from banks.

b) Fixed Deposits with a carrying amount of ₹ 3,25,248 (March 31, 2011 ₹ 2,09,781) are pledged with Govt. Authorities.

NOTE 16 : REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Sale of Product		
Finished Goods	475,24,88,953	243,45,52,026
Traded Goods	108,27,85,872	68,51,05,798
Other Operating Revenues		
Miscellaneous Sale	1,37,76,279	80,34,568
Export Incentives	42,04,028	63,04,239
Revenue from operations (gross)	**585,32,55,132**	**313,39,96,632**
Less: Excise duty*	39,05,07,483	22,32,89,608
Revenue from operations (Net)	**546,27,47,648**	**291,07,07,024**

* Excise Duty on Sales amounting to ₹ 39,05,07,483 (March 31, 2011 22,32,89,608) has been reduced from Sales and Excise Duty on increase/(decrease) in stock amounting to ₹ 2,97,17,947(March 31, 2011 ₹ 40,99,571) has been considered as (Income)/Expense in Note No. 23 of Financial Statement

a) Details of products sold		
Finished goods sold		
Tiles	475,24,88,953	243,45,52,026
Traded goods sold		
Tiles	108,27,43,415	68,50,51,639
Others	42,457	54,159
b) FOB Value of exports	6,67,13,238	8,03,66,369

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

(Amount in ₹)

NOTE 17 : OTHER INCOME

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest Income		
On Fixed deposits	30,03,048	36,38,257
On loan to subsidiary company	–	17,80,786
Others	7,55,139	10,03,971
Other non-operating income	90,38,348	68,35,158
	1,27,96,535	1,32,58,171

NOTE 18 : COST OF RAW MATERIAL CONSUMED

Raw Material		
Balances of Raw Material at the beginning of the Year	10,07,14,173	11,08,38,787
Add:- Purchases during the year	117,10,60,209	62,47,11,472
Less:- Balances of Raw Material at the end of the Year	13,68,11,503	10,07,14,173
Total Raw Material Consumption	113,49,62,879	63,48,36,085

a) Details of Raw Materials Consumed		
Clay & Minerals	48,37,44,430	30,96,39,445
Chemicals & Glaze Materials	65,12,18,449	32,51,96,640
	113,49,62,879	63,48,36,085
b) Details of inventory		
Tiles	76,01,08,985	46,96,74,459
Other Sanitary Goods	46,961	46,997
c) Consumption of indigenous & imported raw material		
Indigenous	109,10,78,282	58,82,87,265
Imported	4,38,84,597	4,65,48,820

NOTE 19 : (INCREASE) / DECREASE IN INVENTORIES

Inventories at the beginning of the year		
Work-in-progress	2,30,64,041	1,42,30,509
Work-in-progress acquired through Amalgamation	78,09,664	–
Finished goods		
Manufacturing Goods	42,91,73,458	33,68,68,909
Traded Goods	4,05,47,998	2,31,85,117
Acquired through Amalgamation	19,00,01,602	–
(A)	69,05,96,763	37,42,84,535
Inventories at the end of the year		
Work-in-progress	1,79,21,954	2,30,64,041
Finished goods		
Manufacturing Goods	65,39,52,661	42,91,73,458
Traded Goods	10,62,03,285	4,05,47,998
(B)	77,80,77,899	49,27,85,497
(Increase) / Decrease in Inventory (B-A)	8,74,81,137	11,85,00,962

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a) Details of Purchases of Traded Goods		
Indigenous Goods		
Tiles	98,96,84,071	64,91,41,782
Others	–	–
Imported Goods		
Tiles	7,55,79,200	1,02,54,194
Others	–	–
	106,52,63,271	65,93,95,976
b) Details of Inventories		
Work In Progress		
Tiles	1,79,21,954	2,30,64,041
Traded Goods		
Tiles	10,61,56,324	4,05,01,001
Others	46,961	46,997
Manufactured		
Tiles	65,39,52,661	42,91,73,458

NOTE 20 : EMPLOYEE BENEFITS EXPENSE

Salaries, Wages & Bonus	50,88,88,074	29,98,97,113
Contribution to Provident and Other fund	1,89,17,850	1,16,27,499
Gratuity Expense (Refer note below)	29,23,927	61,72,757
Staff Welfare Expenses	2,15,87,777	1,20,29,585
	55,23,17,627	32,97,26,954

a) Employees Benefits

The company has classified the various benefit provided to employees as under

(i) Defined Contribution Plans

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

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Employer's Contribution to Provident Fund/ Pension Fund	1,49,09,403	82,20,738
Employer's Contribution to State Insurance	33,47,447	30,44,369

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

(ii) Defined Benefit plans

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

I. Changes in present value of Defined Benefit obligations :

(Amount in ₹)

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit obligation as at the beginning of the year	5,16,01,998	1,46,18,616	2,70,97,237	32,59,169
Current Service Cost	59,41,936	19,38,250	34,46,062	7,15,709
Interest Cost	42,57,165	12,15,506	22,35,522	2,68,881
Actuarial (gain) / loss on obligations	(1,05,63,339)	(917,212)	(19,97,198)	10,13,488
Benefits paid	(17,02,981)	(17,29,755)	14,59,597	(14,69,068)
Defined Benefit obligation at the year end	**4,95,34,779**	**1,51,25,405**	**3,22,41,220**	**37,88,179**

II. Change in the Fair Value of Plan Assets

Particulars	Year ended March 31, 2012 Gratuity (Funded)	Year ended March 31, 2011 Gratuity (Funded)
Opening Fair Value of Plan Assets	3,53,41,323	1,55,74,823
Expected Return on Plan Assets	29,15,660	12,84,923
Contribution by employer	16,57,071	31,60,677
Benefits paid	(17,02,981)	–
Actural gain/(loss) on Plan assets	(17,35,169)	(1,36,986)
Closing fair value of Plan Assets	3,64,75,904	1,98,83,437

III. Expenses/ (Income) recognized in the Profit & Loss

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current service Cost	59,41,936	19,38,250	34,46,062	7,15,709
Interest Cost on benefit obligation	42,57,165	12,15,506	22,35,522	2,68,881
Expected return on plan assets	(29,15,660)	–	(12,84,923)	–
Past service cost	–	–	14,59,597	–
Acturial (gain)/Loss recognised during the year	(88,28,170)	(917,212)	(18,60,212)	10,13,488
Net benefit expense	**(15,44,729)**	**22,36,544**	**39,96,046**	**19,98,078**

IV. Net Assets/(Liability)

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of Defined Benefit Obligation	(4,95,34,779)	1,51,25,405	(3,22,41,220)	37,88,179
Fair Value of Plan Assets	3,64,75,904	–	1,98,83,437	–
Net Assets/(liability) recognised in Balance Sheet	**(1,30,58,875)**	**1,51,25,405**	**(1,23,57,783)**	**37,88,179**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

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

Particulars	Year ended March 31, 2012 Gratuity (Funded)	Year ended March 31, 2011 Gratuity (Funded)
Insured with Kotak Mahindra Old Mutual Life Insurance Ltd	99.90%	99.90%
Bank Balance	0.10%	0.10%

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

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Discount Rate	8.50%	8.50%	8.25%	8.25%
Rate of Increase in compensation	6.00%	6.00%	6.00%	6.00%
Rate of return on Plan assets (for gratuity)	8.50%	–	8.25%	–
Mortality (Published notes under the LIC (1994 - 96) duly modified)			–	–

Note:

Acturial's valuation is based on esclation in future salary on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTE 21 : FINANCE COST

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest Expense	20,64,47,224	7,10,87,672
Interest on delayed payment of Income Tax	10,84,379	5,20,322
Exchange difference to the extent considered as an adjustment to borrowing cost	12,91,288	–
Other borrowing costs	1,05,18,416	1,85,60,596
	21,93,41,307	**9,01,68,589**

NOTE 22 : DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and Amortisation	20,43,32,639	9,77,88,114
Less: Transferred from Revaluation Reserve (Refer Note 10)	(1,41,57,971)	–
	19,01,74,667	**9,77,88,114**

NOTE 23 : OTHER EXPENSES

Stores & Spares consumed	16,51,35,121	7,96,95,419
Packing Material Consumed	20,93,61,235	11,28,11,901
Increase/(Decrease) in Excise Duty	2,97,17,947	40,99,571
Natural Gas	88,70,84,798	43,28,45,054
Electricity	15,11,73,845	3,89,97,543
Fuel & Others	5,99,02,101	2,30,63,629
Rent	4,38,16,922	3,59,50,417
Hire Charges	3,13,17,900	1,14,73,883
Rates & Taxes	51,69,468	41,14,317
Insurance	48,16,876	22,52,777

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 23 : OTHER EXPENSES (Contd.)

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Repair & Maintenance		
Plant & Machinery	1,72,66,844	71,66,042
Buildings	44,59,090	34,34,607
Other	1,19,20,519	1,01,78,804
Designing & Processing	63,29,415	61,02,890
Freight & Forwarding Charges	25,40,18,406	11,16,50,513
Advertisement and Sales Promotion	7,04,19,694	4,67,09,392
Discount	16,98,00,540	8,12,80,580
Sales Commission	3,33,47,231	3,96,27,008
Travelling & Conveyance	7,77,16,255	6,04,25,899
Communication Costs	1,14,90,640	83,89,376
Printing & Stationery	44,71,835	32,63,363
Legal & Professional Exps.	1,20,80,643	91,21,763
Director's Sitting fees & Other Expenses	6,90,446	5,06,509
Payment to the Auditors (refer note (b) below)	12,25,000	6,98,613
Exchange difference (net)	10,12,447	–
Sundry Balances written off	26,42,079	10,16,465
Trainees & Recruitment	91,28,435	46,00,744
Loss on sale of fixed assets	8,01,720	7,23,595
Watch & Ward Expenses	54,47,305	49,96,093
Miscellaneous expenses	1,87,66,467	90,83,736
	230,05,31,226	115,42,80,503

a) Consumption of Imported stores and spares		
Indigenous	11,97,19,293	5,74,15,868
Imported	4,54,15,828	2,22,79,551
b) Payment to the Auditors:		
As Auditors	9,50,000	4,50,000
For Taxation matters	1,50,000	1,00,000
For other services	85,000	1,22,500
Reimbursement of Expenses	40,000	26,113
	12,25,000	**6,98,613**
c) Gross expenditures in foreign currency (payment basis)		
Travelling	32,95,752	34,39,865
Membership & Subscription	45,062	49,170
Payment to Technicians	1,07,236	–
Designing & Processing	52,67,955	53,38,164
	87,16,005	**88,27,199**
d) Lease		
All leases are cancellable leases hence not required as discussed earlier		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 24 : EXCEPTIONAL ITEMS

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Depreciation Written Back	(1,12,47,940)	–
Surrender Value of Keyman Insurance Policy	–	(6,78,43,851)
	(1,12,47,940)	**(6,78,43,851)**

NOTE 25: EARNINGS PER SHARE(EPS)

Basic Earnings per share		
Profit/Loss attributable to the equity shareholders	13,46,56,686	9,77,18,754
Weighted Average number of equity shares outstanding at the end of the year	1,05,30,000	1,05,30,000
Basic Earnings per share	12.79	9.28
Diluted Earnings per share		
Weighted Average number of equity shares in calculating basic EPS	1,05,30,000	1,05,30,000
Effect of Dilution:		
Shares pending allotment on Amalgamation	30,43,451	–
Weighted Average number of equity shares in calculating Diluted EPS	**1,35,73,451**	**1,05,30,000**
Diluted Earnings per share	9.92	9.28

NOTE 26 :

The name of the Transferee Company has been changed from Orient Ceramics And Industries Limited to Orient Bell Limited with effect from 15th March, 2012. This is the amalgamated financial statements consequent upon sanction of Scheme of Arrangement by way of amalgamation of Orient Ceramics And Industries Limited (herein referred as 'transferee company')and Bell Ceramics Limited (hereinafter referred as `transferor companies`), as approved by the Hon'ble High Court of Allahabad vide its Order dated 19th December 2011 and by the Hon'ble High Court of Ahmedabad vide its Order dated 7th February 2012 u/s 394 of the Companies Act, 1956 and necessary filing of said Order with the Registrar of Companies, on 30th March, 2012, being the `Effective Date` on which the scheme has become effective. The relevant clauses of such approved scheme are as under :-

(a) Pursuant to such approved scheme, entire business of transferor Company including all assets and liabilities shall stand transferred to and vested with the Company with effect from 1st January 2011 being the "Appointed Date".

(b) The amalgamation has been accounted for under the "Pooling of interest " method as prescribed by the Accounting Standard (AS-14) of the Companies (Accounting Standards) Rules, 2006. Accordingly the assets, liabilities, and reserves of transferor Company, as at 1st January 2011 have been taken over at book values.

(c) All inter-company balances between the Transferor Company and the company have been cancelled and there shall be no further obligation/outstanding in this behalf.

(d) In view of the aforesaid amalgamation with effect from 1st January 2011 the figures for the current year are not comparable with those of the previous year.

(e) Since the Transferor company was amalgamated w.e.f 1st January, 2011, the profit and loss for the period 1st January to 31st March 2011 which has been incorporated in the financial statements of Orient Bell Limited is stated as follows:-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

Statement of Profit & Loss for the period ended March 31, 2011 (Amount in ₹)

	Particulars	Year ended March 31, 2011
I	Revenue from Operations (Gross)	46,82,28,114
	Less: Excise duty	3,74,54,620
	Revenue from Operations (Net)	43,07,73,494
II	Other Income	1,06,07,929
III	Total Revenue (I + II)	**44,13,81,423**
IV	Expenses:	
	(a) Cost of Materials Consumed	25,80,71,949
	(b) Purchases of Stock-in-Trade	1,59,96,929
	(c) Decrease/ (Increase) in Inventories	(24,99,647)
	(d) Employee Benefits Expense	4,62,78,478
	(e) Finance Costs	2,98,65,365
	(f) Depreciation and Amortization Expense	2,71,88,036
	(g) Other Expenses	6,08,25,581
	Total expenses	**43,57,26,692**
V	Profit before exceptional and extraordinary items and tax (III-IV)	56,54,731
VI	Exceptional items	2,01,64,546
VII	Profit before tax (V - VI)	2,58,19,278
VIII	Tax expense:	
	Current tax	–
	Deferred Tax	54,55,000
IX	Profit / (Loss) after tax (VII-VIII)	**3,12,74,278**
	Loss brought forward from Previous Year	(13,98,74,088)
	Balance Transferred to Balance Sheet	**(10,85,99,811)**

NOTE 27 :

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

NOTE 28 : RELATED PARTY DISCLOSURE

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

(i) Related Parties :

A Subsidiary Company

(a) ELIT International Trading (HK) Pvt. Ltd.*

(b) Bell Ceramics Ltd.**

* became subsidiary w.e.f 17th January 2012

** due to amalgamation, Bell Ceramics Ltd. had ceases to be subsidiary w.e.f 1st January, 2011 (refer Note 26).

B Enterprises owned or significantly influenced by KMP or their relatives

(a) Freesia Investment and Trading Co. Ltd.

(b Goodteam Investment & Trading Co. Pvt. Ltd.

(c) Alfa Mercantile Ltd.

(d) Morning Glory Leasing & Finance Ltd.

(e) Iris Designs Pvt. Ltd.

(f) Mahendra K. Daga - HUF

C Key Managerial Personnel

(a) Mr. Mahendra K. Daga, Chairman and Managing Director

(b) Mr. Madhur Daga, Executive Director

D Relatives of Key Managerial Personnel

(a) Mrs. Sarla Daga w/o Mahendra K. Daga

(b) Mrs. Roma Monisha Sakraney Daga w/o Madhur Daga

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

(ii) Disclosure of transactions between the Company and related parties and status of outstandings as on 31st March 2012

(Amount in ₹)

Particulars	Subsidiary Company	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel
Nature of Transaction:				
a) Loan Received	–	75,35,000	1,89,90,000	37,50,000
	–	(1,00,50,000)	(5,92,10,000)	(2,71,50,000)
b) Loan Given/Repaid	–	35,75,000	–	–
	–	(3,31,25,000)	(4,10,000)	–
c) Interest Payment	–	38,12,121	69,89,946	29,18,521
	–	(30,79,738)	(50,57,712)	(14,70,001)
d) Hire charges paid	–	36,83,000	–	–
	–	(55,80,032)	–	–
e) Rent Paid	–	8,32,140	–	–
	–	(8,32,140)	–	(24,000)
f) Managerial Remuneration	–	–	1,84,65,806	–
	–	–	(1,82,16,169)	–
g) Security Deposit Paid	–	–	–	–
	–	(90,000)	–	–
h) Security Deposit refunded	–	11,25,000	–	–
	–	(5,15,000)	–	–
i) Consultancy charges	–	3,00,000	–	–
	–	(3,00,000)	–	–
j) Investments made	1,32,400	–	–	–
	–	–	–	–
Outstanding as on 31.03.2012				
a) Unsecured Loans Payable	–	3,93,00,000	7,98,00,000	3,09,00,000
	–	(2,04,00,000)	(7,57,50,000)	(2,71,50,000)
b) Other Current Liabilities	–	67,500	–	–
	–	(67,500)	–	–
c) Other Current Assets	–	16,08,035	–	–
	–		–	–

Figures in brackets represents figures for the year ended March 31, 2011 and transaction with subsidiary Bell Ceramics Limited for the year ended March 31, 2012 is now been given till Dec 31, 2010.

Disclosure in respect of Material transactions with related parties

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a) **Loan received**		
Key Managerial Person		
Mr. Mahendra K. Daga	1,24,40,000	2,61,10,000
Mr. Madhur Daga	65,50,000	1,79,00,000
Relatives of Key Managerial Persons		
Mrs. Sarla Daga	34,50,000	2,71,50,000
Mrs. Roma Monisha Sakraney Daga	3,00,000	–
Enterprises owned or significantly influenced by KMP or their relatives		
Mahendra K. Daga - HUF	27,35,000	1,52,00,000
Goodteam Investment & Trading Co Pvt. Ltd	44,50,000	–
Iris Designs Pvt Limited	3,50,000	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

Disclosure in respect of Material transactions with related parties (Contd.)

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
b) Loan Given/Repaid		
Enterprises owned or significantly influenced by KMP or their relatives		
Iris Designs Pvt Limited	–	3,01,50,000
Goodteam Investment & Trading Co Pvt. Ltd	35,00,000	–
Mahendra K. Daga - HUF	75,000	–
c) Interest Payments		
Enterprises owned or significantly influenced by KMP or their relatives		
Goodteam Investment & Trading Co Pvt. Ltd	21,38,658	17,87,711
Iris Designs Pvt Limited	32,507	12,30,602
Mahendra K. Daga - HUF	16,40,956	–
Key Managerial Person		
Mahendra K. Daga	45,79,425	28,11,852
Madhur Daga	24,10,521	14,14,698
Relative of Key Managerial Persons		
Sarla Daga	29,04,302	14,70,001
Roma Monisha Sakraney Daga	14,219	–
d) Hire Charges Paid		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd	36,83,000	55,80,032
e) Rent Paid		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd	6,66,000	6,66,000
Alfa Mercantile Ltd.	48,000	–
Morning Glory Leasing & Finance Ltd.	52,140	–
Iris Designs Pvt Limited	66,000	–
Relative of Key Managerial Persons		
Sarla Daga	24,000	–
f) Security Deposit Paid		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd	–	90,000
g) Security Deposit Received		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd	11,25,000	5,15,000
h) Consultancy Charges		
Enterprises owned or significantly influenced by KMP or their relatives		
Morning Glory Leasing & Finance Ltd.	3,00,000	3,00,000
i) Managerial remuneration		
Salary	1,81,50,000	1,79,00,000
Contribution to Provident Fund	9,360	9,360
Perquisites	3,06,446	3,06,809
	1,84,65,806	**1,82,16,169**
j) Others		
During the year, consequent upon the Amalgamation, company has acquired all the assets and liabilities of its subsidiary Bell Ceramics Limited. Against such acquisition, shares are pending to be allotted to the erstwhile shareholders of Bell Ceramics Limited.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 29 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a. Derivatives outstanding as at the Balance Sheet date

Particulars	Purpose
Forward Contract to buy US $ (US $ 377,112 (March 31, 2011 $: 173,177.01) (Euro : Nil (March 31, 2011 Euro : 102817.90) (₹ 2,01,14,640 (March 31, 2011 : 1,37,74,899))	Hedging contracts for payments against import of Raw Material, Stores and Capital items

b. Particulars of Unhedged foreign currency exposures as at the reporting date

Particulars	Purpose
Import Trade Payables	(Euro 108,262 (March 31, 2011 Euro : Nil)) (US $ Nil (March 31, 2011 : 205,531.20)) (₹ 73,49,636 (March 31, 2011: 91,04,603))

c. All Derivative contracts entered into by the company are for hedging purposes only.

d. During the year the company has provided ₹ 47,605 towards premium on forward exchange contracts (March 31, 2011: ₹ 81,86,295).

NOTE 30 :

(i) The company is engaged in manufacture of Ceramic and Vitrified tiles. The entire operations are governed by same set of risk and returns. Hence, the same has been considered representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard-17 on Segment Reporting.

(ii) The company sells its products mostly within India with insignificant export income and does not have any operations in economic enviornments with different risk and returns, hence, its considered operating in single geographical segment.

NOTE 31 :

Balances of certain Sundry Creditors and Debtors are subject to confirmation.

NOTE 32 :

Figures for the previous year have been reclassified/ regrouped in accordance with Revised Schedule VI to the Companies Act, 1956. Further, figures for the year ended March 31, 2011 are not comparable as such figures are standalone figures of Orient Ceramics And Industries Limited before merger was effective.

for & on behalf of Board of Directors
Orient Bell Limited

	Mahendra K. Daga *Chairman & Managing Director* DIN 00062503	Madhur Daga *Executive Director* DIN 00062149	R.N. Bansal *Director* DIN 00270908	N.R.Srinivasan *Director* DIN 00062317
Place: New Delhi Dated: 30th May, 2012	Vijay Shankar Sharma *Chief Executive Officer*	Yogesh Mendiratta *Company Secretary*	Jaywant Puri *Vice President, Accounts & Finance*	

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF ORIENT BELL LIMITED (FORMERLY KNOWN AS ORIENT CERAMICS AND INDUSTERIES LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ORIENT BELL LIMITED

We have examined the attached Consolidated Balance Sheet of Orient Bell Limited (Formerly Known as Orient Ceramics and Industries Limited) and its subsidiary [collectively referred to as "the Group"], as at March 31st 2012, the Consolidated Statement of Profit and Loss and also the Consolidated Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of Orient Bell Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of its subsidiary, whose financial statement reflect total assets of ₹ 1,24,948 as at March 31st 2012, total expenses of ₹ 1,21,801 for the period ended March 31st 2012. These financial statements have been audited by other auditor whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based solely on the report of the other auditor.

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

Based on our audit as aforesaid, and on consideration of report of other auditor on separate financial statements and other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give true and fair view in conformity with the accounting principles generally accepted in India:

(a) In case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31st 2012;

(b) In case of the Consolidated Statement of Profit and Loss, the consolidated results of operations of the Group for the year ended on that date; and

(c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For **S. R. Dinodia & Co.**
Chartered Accountants
Regn. No 001478N

Sandeep Dinodia
Partner
M. No. 083689

Place: New Delhi
Dated: 30th May, 2012

INFORMATION ON THE FINANCIALS OF THE SUBSIDIARY COMPANY

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

Name of Subsidiary Company	Elit International Trading (HK) Pvt. Limited	
	Hong Kong $	Indian ₹*
Capital	20,000	1,31,000
Reserves	(18,710)	(1,22,551)
Total Assets	19,800	1,29,690
Total Liabilities	18,510	1,21,241
Investment made by Subsidiary		–
Revenues (Turnover & Other income)		–
Profit before Taxation	(18,710)	(1,22,551)
Provisions for Taxation		–
Profit after tax	(18,710)	(1,22,551)
Proposed Dividend	NIL	NIL

*Exchange rate ₹ 6.55 as on 31.03.2012

CONSOLIDATED BALANCE SHEET as at March 31, 2012

(Amount in ₹)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	13,57,34,510	10,53,00,000
(b) Reserves and Surplus	4	155,65,28,744	106,42,10,547
		169,22,63,254	116,95,10,547
Minority Interest		–	28,23,89,499
Non-Current Liabilities			
(a) Long-Term Borrowings	5	96,59,48,877	56,70,63,761
(b) Deferred Tax Liabilities (Net)	6	–	–
(c) Other Long Term Liabilities	7	21,37,333	41,80,317
(d) Long-Term Provisions	8	1,33,53,403	1,44,13,835
		98,14,39,613	58,56,57,913
Current Liabilities			
(a) Short-Term Borrowings	9	85,63,20,112	119,16,48,606
(b) Trade Payables	7	98,04,35,941	84,34,81,415
(c) Other Current Liabilities	7	27,06,43,731	21,54,34,469
(d) Short-Term Provisions	8	2,54,49,052	2,65,48,823
		213,28,48,836	227,71,13,313
Total		480,65,51,702	431,46,71,272
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
Tangible Assets		233,30,16,985	241,78,41,899
Intangible Assets		37,11,939	37,72,628
Capital Work-in-Progress		1,71,05,690	1,04,56,168
Intangible Assets under Development		12,19,985	–
(b) Goodwill on Consolidation		–	8,95,60,580
(c) Non-Current Investments	11	20,22,75,807	–
(d) Deferred Tax Assets (Net)	6	1,08,75,105	1,19,99,496
(e) Long-Term Loans and Advances	12	9,18,39,854	8,96,09,338
(f) Other Non-Current Assets	14.2	2,12,99,006	1,42,77,270
		268,13,44,370	263,75,17,379
Current Assets			
(a) Inventories	13	107,36,32,394	103,24,76,111
(b) Trade Receivables	14.1	78,97,94,372	51,29,55,336
(c) Cash and Bank Balance	15	6,99,39,830	1,05,01,078
(d) Short-Term Loans and Advances	12	16,67,02,440	9,68,89,182
(e) Other Current Assets	14.2	2,51,38,297	2,43,32,185
		212,52,07,332	167,71,53,893
Total		480,65,51,702	431,46,71,272
Significant Accounting policies	2.1		

The Notes referred to above, form an integral part of the Financial Statements

As per our Report of even date attached

For S R Dinodia & Co.
Chartered Accountants
Regn. No 001478N

for & on behalf of Board of Directors
Orient Bell Limited

Sandeep Dinodia	Mahendra K. Daga	Madhur Daga	R.N. Bansal	N.R.Srinivasan
Partner	*Chairman & Managing Director*	*Executive Director*	*Director*	*Director*
M. No. 083689	DIN 00062503	DIN 00062149	DIN 00270908	DIN 00062317

Place: New Delhi	Vijay Shankar Sharma	Yogesh Mendiratta	Jaywant Puri
Dated: 30th May, 2012	*Chief Executive Officer*	*Company Secretary*	*Vice President, Accounts & Finance*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2012

(Amount in ₹)

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
I. Revenue from Operations (Gross)	16	585,32,55,132	359,94,24,345
Less: Excise duty		39,05,07,483	26,10,44,228
Revenue from Operations (Net)		546,27,47,648	333,83,80,117
II. Other Income	17	1,27,96,535	8,73,58,915
III. Total Revenue (I + II)		**547,55,44,183**	**342,57,39,032**
IV. Expenses:			
(a) Cost of Materials Consumed	18	113,49,62,879	74,43,63,265
(b) Purchases of Stock-in-Trade	19	106,52,63,271	65,71,31,820
(c) Decrease/ (Increase) in Inventories	19	(8,74,81,137)	(12,54,00,609)
(d) Employee Benefits Expense	20	55,23,17,627	37,74,05,275
(e) Finance Costs	21	21,93,41,307	16,32,53,169
(f) Depreciation and Amortization Expense	22	19,01,74,667	12,58,76,150
(g) Other Expenses	23	230,06,53,027	138,39,33,191
Total expenses		**537,52,31,641**	**332,65,62,261**
V. Profit before exceptional and extraordinary items and tax (III-IV)		10,03,12,542	9,91,76,771
VI. Exceptional items	24	(1,12,47,940)	(6,78,43,851)
VII. Profit before tax (V - VI)		11,15,60,482	16,70,20,622
VIII. Tax expense:			
Current Tax		2,25,62,072	5,58,63,354
Less:- MAT Credit Entitlement		(2,25,62,072)	–
Net Tax Expense		–	5,58,63,354
Deferred Tax		11,24,391	(1,49,04,189)
Income Tax Adjustment for Earlier Years		(2,40,98,794)	(19,132)
IX. Profit (Loss) after tax (VII-VIII)		**13,45,34,885**	**12,60,80,589**
X. Earnings per share:	25		
(1) Basic		12.78	11.97
(2) Diluted		9.91	11.97
Significant Accounting Policies	2.1		

The Notes referred to above, form an integral part of the Financial Statements

As per our Report of even date attached

For S R Dinodia & Co.
Chartered Accountants
Regn. No 001478N

for & on behalf of Board of Directors
Orient Bell Limited

Sandeep Dinodia	Mahendra K. Daga	Madhur Daga	R.N. Bansal	N.R.Srinivasan
Partner	*Chairman & Managing Director*	*Executive Director*	*Director*	*Director*
M. No. 083689	DIN 00062503	DIN 00062149	DIN 00270908	DIN 00062317

Place: New Delhi
Dated: 30th May, 2012

Vijay Shankar Sharma
Chief Executive Officer

Yogesh Mendiratta
Company Secretary

Jaywant Puri
Vice President, Accounts & Finance

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2012

(Amount in ₹)

Particulars		Year ended March 31, 2012	Year ended March 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax		**11,15,60,482**	**16,70,20,622**
Adjustments for:			
Depreciation and amortization		19,01,74,667	12,49,76,150
Interest Paid		21,80,50,019	16,32,53,169
loss on sale of fixed assets		8,01,720	7,23,595
Loss/(Profit) on exchange fluctuation		23,05,443	(4,46,602)
Interest Income		(37,58,187)	(47,19,799)
Misc. liability written back		(21,40,707)	(7,55,15,225)
Sundry Balance Written Off		26,42,079	95,69,135
Depreciation Written Back		(1,12,47,940)	–
Operating profit before working capital changes		**50,83,87,576**	**38,48,61,045**
Movement in working capital:			
Increase/(Decrease) in Trade Payables		16,34,26,366	9,02,69,711
Increase/(Decrease) in Provisions		1,02,98,365	–
(Increase)/Decrease in Trade Receivables		(26,09,75,036)	(23,08,91,620)
(Increase)/Decrease in Inventories		(4,11,56,282)	(13,63,58,876)
(Increase)/Decrease in Loan and Advances and Other Current Assets		8,13,91,261	(85,21,350)
Cash generated from operations		**46,13,72,250**	**9,93,58,910**
Direct Tax paid (Net of Refunds)		1,58,13,424	5,63,21,781
Net cash inflow from/(used in) operating activities	(A)	**44,55,58,826**	**4,30,37,129**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(11,67,26,337)	(9,28,81,268)
Purchase of CWIP		(78,69,507)	(50,29,382)
Sale of Fixed Assets		77,09,412	19,31,879
Purchase of Investment		(20,22,75,807)	(20,07,81,657)
Sale of Investment		20,07,81,657	–
Interest Income		37,58,187	47,19,799
Net cash from/ (used in) investing activities	(B)	**(11,46,22,395)**	**(29,20,40,629)**

(Amount in ₹)

Particulars		Year ended March 31, 2012	Year ended March 31, 2011
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (Decrease) in Borrowings		(6,68,46,086)	44,07,55,949
Dividend Paid		(2,45,57,803)	(2,45,57,803)
Interest paid (net)		(21,69,65,640)	(16,27,32,847)
Purchase consideration for Amalgamation		3,04,34,510	–
Net cash inflow from/(used in) financing activities	**(C)**	**(27,79,35,019)**	**25,34,65,299**
Net increase (decrease) in cash and cash equivalents	**(A+B+C)**	**5,30,01,412**	**44,61,799**
Cash and cash equivalents acquired on Amalagamation		56,15,293	–
Cash and cash equivalents at the begining of the year		17,32,604	28,86,098
Cash and cash equivalents at the end of the year		**6,03,49,309**	**73,47,897**
Components of cash and cash equivalents			
Cash on hand		12,39,236	5,15,035
Cheques on hand		7,61,106	3,52,055
With banks - on current account		5,70,72,923	10,18,948
- on unpaid dividend account		12,76,044	10,41,524
- on fixed deposit account		–	44,20,335
Total Cash and Cash equivalent (Note no. 14)		**6,03,49,309**	**73,47,897**

As per our Report of even date attached

For S R Dinodia & Co.
Chartered Accountants
Regn. No 001478N

for & on behalf of Board of Directors
Orient Bell Limited

Sandeep Dinodia	**Mahendra K. Daga**	**Madhur Daga**	**R.N. Bansal**	**N.R.Srinivasan**
Partner	*Chairman & Managing Director*	*Executive Director*	*Director*	*Director*
M. No. 083689	DIN 00062503	DIN 00062149	DIN 00270908	DIN 00062317

Place: New Delhi
Dated: 30th May, 2012

Vijay Shankar Sharma
Chief Executive Officer

Yogesh Mendiratta
Company Secretary

Jaywant Puri
Vice President, Accounts & Finance

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNT

NOTE 1.1 : ACCOUNTING CONVENTION

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared the financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for Building situated at Hoskote and Dora unit which are carried at revalued amounts.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policies explained below.

NOTE 1.2 :

The audited/unaudited financial statements of foreign subsidiary have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards. The differences in accounting policies of the Company and its subsidiary are not material and there are no material transactions in respect of subsidiary having financial year ended 31st March, 2012

NOTE 2.1 : THE SUBSIDIARY COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Name of the Subsidiary	Country of Incorporation	Propotion of ownership interest as on March 31, 2012	Proportion of ownership interest as on March 31, 2011
Elit International Trading (HK) Pvt. Ltd.	Hongkong	100%	0%
Bell Ceramics Limited	India	0%	67.72%

NOTE 2.2 : PRINCIPLES OF CONSOLIDATION

A. The consolidated financial statements relate to Orient Bell Limited ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

   a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".

   b) In case of foreign subsidiary, being an integral foreign operations, revenue items are consolidated at the actual exchange rate prevailing on that date. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation gain/loss.

   c) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

   d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

   e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

   f) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

   g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

B. Investments other than in subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

NOTE 2.3 : OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 3 : SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Authorised:		
4,00,00,000 (P/Y 1,50,00,000) Equity Shares of ₹ 10/- each	40,00,00,000	15,00,00,000
1,50,00,000 (P/Y Nil) Non Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each	15,00,00,000	–
	55,00,00,000	15,00,00,000
Issued, Subscribed & Paid-up:		
1,05,30,000 (P/Y 1,05,30,000) Equity Shares of ₹ 10/- each fully paid up	10,53,00,000	10,53,00,000
Shares Pending Allotment on Amalgamation	3,04,34,510	–
30,43,451 (P/Y Nil) Equity Shares of ₹ 10/- each fully paid up		
	13,57,34,510	10,53,00,000

(a) Aggregate Number of Bonus Shares Issued During the period of Five years immediately preceeding the reporting date:

Particulars	As at March 31, 2012 No. of Shares	As at March 31, 2011 No. of Shares
Equity shares allotted as fully paid bonus shares by capitalization of Capital Reserve	–	5,550
Equity shares allotted as fully paid bonus shares by capitalization of Securities Premium	–	14,40,000
Equity shares allotted as fully paid bonus shares by capitalization of General Reserve	58,50,000	67,44,450

(b) Reconciliation Statement of Equity Share Capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	Amount	No. of Shares	Amount
Balances of Shares at the beginning of the year	1,05,30,000	10,53,00,000	1,05,30,000	10,53,00,000
Add:- Addition during the year	–	–	–	–
Less:- Buy back during the year	–	–	–	–
Balances of Shares at the end of the year	**1,05,30,000**	**10,53,00,000**	**1,05,30,000**	**10,53,00,000**

(c) Terms/right attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2012, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 1.50 (March 31, 2011: ₹ 2). In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of shareholder holding more than 5 percent shares in the company

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid up				
Sh M K Daga - Promoter	28,01,054	27%	28,01,054	27%
Sh Madhur Daga	9,45,993	9%	9,45,993	9%
Good Team Investment & Trading Company Pvt Limited	23,62,914	22%	23,62,914	22%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 4 : RESERVES AND SURPLUS

(Amount in ₹)

Particulars		As at March 31, 2012	As at March 31, 2011
Capital Reserve			
Balances at the beginning of the year		–	–
Add:- Addition on account of Amalgamation		25,50,830	25,57,050
Less:- Deletion / Utilization during the year		–	–
Balances at the end of the year	(A)	**25,50,830**	**25,57,050**
Capital Restructuring A/c			
Balances at the beginning of the year		–	–
Add:- Addition on account of Amalgamation		46,15,903	46,15,903
Less:- Deletion / Utilization during the year		–	–
Balances at the end of the year	(B)	**46,15,903**	**46,15,903**
Amalgamation Reserve			
Balances at the beginning of the year		–	–
Add:- Addition on account of Amalgamation		9,13,03,550	–
Less:- Deletion / Utilization during the year		–	–
Balances at the end of the year	(C)	**9,13,03,550**	**–**
Share Premium			
Balances at the beginning of the year		–	–
Add:- Addition on account of Amalgamation		10,00,00,000	10,00,00,000
Less:- Deletion / Utilization during the year		–	–
Balances at the end of the year	(D)	**10,00,00,000**	**10,00,00,000**
Revaluation Reserve			
Balances at the beginning of the year		–	–
Add:- Addition on account of Amalgamation		66,13,17,492	66,48,04,524
Less:- Adjusted against depreciation for the year		1,41,57,971	34,87,032
Balances at the end of the year	(E)	**64,71,59,521**	**66,13,17,492**
General Reserve			
Balances at the beginning of the year		32,05,05,370	–
Add:- Addition during the year		5,00,00,000	–
Add:- Addition on account of Amalgamation		9,32,71,665	–
Less:- Deletion / Utilization during the year		–	–
Balances at the end of the year	(F)	**46,37,77,035**	**–**
Surplus / (Deficit) in the statement of Profit & Loss			
Balances as per last Financial statements		26,24,14,686	24,41,97,316
Less:- Loss of the amalgamated company (Refer Note No. 26)		(10,85,99,811)	–
Add:- MAT Credit Entitlement (F. Y 2011-12) (Refer Note No. 26)		3,24,35,252	–
Add:- Profit for the year		13,45,34,885	12,60,80,589
Less:- Appropriations during the year			
- Proposed Dividend on Equity Shares		2,03,60,177	2,10,60,000
(Dividend per share ₹ 1.50 (P/Y : ₹ 2/-)			
- Tax on Proposed Dividend		33,02,930	34,97,803
- Transfer to General Reserve		5,00,00,000	5,00,00,000
Balance at the end of the year	(G)	**24,71,21,905**	**29,57,20,102**
Total Reserves & Surplus (A+B+C+D+E+F+G)		**155,65,28,744**	**106,42,10,547**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 5: LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Term Loans				
From Banks				
Corporate loans (secured)	55,18,06,374	12,02,49,752	5,12,22,667	6,23,28,667
Vehicle loans (secured)	60,27,680	8,60,375	42,54,600	1,15,412
Corporate loans (unsecured)	7,14,05,099	7,59,42,361	45,37,262	40,57,639
Buyers Credit (secured)	73,49,637	1,12,06,599	–	–
From Financial Institutions (Unsecured)	6,00,00,000	5,00,00,000	–	–
Other Loans And Advances				
From Related Parties (unsecured) (Refer Note No.28)	15,00,00,000	12,33,00,000	–	–
From Others	1,00,36,870	9,21,25,706	–	–
Trade Deposits (Unsecured)	10,93,23,217	9,33,78,968	–	–
	96,59,48,877	**56,70,63,761**	**6,00,14,529**	**6,65,01,718**
The above amounts includes -				
Secured Borrowings	56,51,83,690	13,23,16,726	5,54,77,267	6,24,44,079
Unsecured Borrowings	40,07,65,186	43,47,47,035	45,37,262	40,57,639
Amount disclosed under "Other Current Liabilities" (Note 6)	–	–	(6,00,14,529)	(6,65,01,718)
Total Borrowings	**96,59,48,877**	**56,70,63,761**	–	–

The nature of Security for Secured Loans are :

a. (i) The Term Loan from IDBI Bank and Axis Bank is secured by way of first pari passu charge on entire fixed assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the current assets of the holding Company.

(ii) The Term Loan from State Bank Of India is secured by way of first pari passu charge on entire current assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the fixed assets of the holding Company.

(iii) Vehicle loans are secured by way of hypothecation of respective vehicles.

b. Maturity profile of Secured Term Loans are as set out below :

(Amount in ₹)

Particulars	2013-14	2014-15	2015-16	Beyond 2015-16
(i) Term loan from banks are repayable in monthly/quarterly/yearly installments.	20,10,02,373	15,09,56,000	14,20,70,000	5,77,78,000
(ii) Vehicle loans from banks are repayable in monthly installments.	42,08,228	16,21,589	1,97,863	–
(iii) Buyers Credit is due for repayment in 2014-15.				

The nature of guarantee for Unsecured Loans are :

c. (i) Unsecured loan from Bank is secured against property of Promoter at Kolkata.

(ii) Unsecured loan from NBFC is secured by pledge of the shares belonging to Promoters, other than their holding in the holding company.

d. Maturity profile of Unsecured Term Loans are as set out below

(Amount in ₹)

Particulars	2013-14	2014-15	2015-16	Beyond 2015-16
(i) Term loans from banks is repayable in monthly installments.	51,25,372	57,89,707	65,40,154	5,43,07,215
(ii) Loan from NBFC is repayable in 2013-14.	6,00,00,000	–	–	–

(iii) Loans & Advances from Related Parties are repayable at the prerogative of the holding Company.

(iv) Loan from others includes loans from erstwhile promoters of M/s Bell Ceramics Ltd. and is payable after all formalities of acquisition.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 6 : DEFERRED TAX LIABILITIES/ (ASSETS) (NET)

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	17,62,46,254	5,17,14,067
Gross Deferred Tax Liability	17,62,46,254	5,17,14,067
Deferred Tax Assets		
Unabsorbed Depreciation / Business Loss	17,34,50,970	–
Provision for Doubtful Debts	43,15,863	12,06,682
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	92,08,848	54,25,874
Others	1,45,678	–
Gross Deferred Tax Assets	18,71,21,359	66,32,556
Net Deferred Tax Liabilities/ (Assets)	(1,08,75,105)	4,50,81,511

NOTE 7 : OTHER LIABILITIES

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Trade Payables	–	–	98,04,35,941	84,34,81,415
(refer note (a) below for details of dues to micro and small enterprises)				
Others				
Current maturities of long-term borrowings (Refer note 5)	–	–	6,00,14,529	6,65,01,718
Book Overdraft	–	–	16,11,501	22,53,914
Unpaid dividends (refer note (b) below)	–	–	12,72,080	10,37,561
Other Payables	–	–		
Statutory Dues Payable	–	–	11,84,68,194	10,53,72,983
Other Liabilities	21,37,333	41,80,317	8,92,77,427	4,02,68,293
	21,37,333	41,80,317	27,06,43,731	21,54,34,469
	21,37,333	41,80,317	125,10,79,672	105,89,15,884

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

b) It does not include any amount due to be transferred to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 8 : PROVISIONS

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provisions for Employee Benefits				
Leave Encashment	1,33,53,403	1,44,13,835	17,28,727	2,04,782
Other Provisions				
Proposed Dividend	–	–	2,03,60,177	2,10,60,000
Provision for tax on Proposed dividend	–	–	33,02,930	34,97,803
Provision for current tax	–	–	–	17,34,035
[March 31 2011: Net of advance tax of ₹ 16,90,04,896)				
Provision for wealth tax	–	–	57,218	52,203
[Net of advance tax of ₹ 1,36,020 (March 31 2011: ₹ 1,36,020)]				
	1,33,53,403	1,44,13,835	2,54,49,052	2,65,48,823

Particulars	As at March 31, 2012	As at March 31, 2011
a) Contingent liabilities		
Claims against Group not acknowledged as debt	2,30,90,413	1,28,52,661
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,29,81,292	–

NOTE 9 : SHORT TERM BORROWINGS

Term Loans From Banks (Secured)		
Buyers Credit	2,01,14,638	1,16,72,903
Other Loans from Banks (secured)		
Cash Credit	70,63,50,294	43,37,25,472
Working Capital demand loan	12,98,55,180	74,62,50,231
Total Short Term Borrowings	85,63,20,112	119,16,48,606

The nature of Security for borrowings are as under:

a. The Holding Company has a consortium of Various bankers namely State Bank of India, Punjab National Bank, IDBI Bank, ING Vyasa Bank, Axis Bank, Bank of Bahrain & Kuwait and Bank of India (hereafter called the "Consortium") for secured loans borrowings.

b. The Working Capital Loans including Buyers Credit are primarily secured by way of first pari passu charge on entire current assets of the holding company and collateraly by way of second pari passu charge on its entire fixed assets excluding assets having specific charge, both present & future.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 10 : FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK					DEPRECIATION						NET BLOCK	
	As at April 1, 2011	Addition During the Year: On Account of Merger	Addition During the Year: Others	Deduction During the year	As at March 31, 2012	As at April 1, 2011	Addition On Account of Merger	For the year	Deduction/ Adjustments During the year	Charged to Revaluation Reserve	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
A. Tangible Assets													
Land													
- Freehold	13,57,36,253	44,49,02,600	4,62,000	–	58,11,00,853	–	–	–	–	–	–	58,11,00,853	58,06,38,853
- Leasehold	1,86,64,330	–	–	–	1,86,64,330	28,77,123	–	2,07,382	–	–	30,84,505	1,55,79,825	1,57,87,207
Buildings													
- Factory	27,33,20,194	50,24,22,722	79,41,799	–	78,36,84,716	8,64,40,560	12,63,86,416	3,18,31,622	–	–	24,46,58,598	53,90,26,117	61,42,57,640
- Others	–	5,88,23,349	–	–	5,88,23,349	–	74,81,649	10,87,536	–	–	85,69,185	5,02,54,164	–
Leasehold Improvements	1,17,97,615	–	1,34,60,497	–	2,52,58,112	20,74,995	–	32,58,318	–	–	53,33,314	1,99,24,798	97,22,620
Plant and Equipment	152,15,31,269	199,81,49,610	7,21,12,313	1,65,36,618	357,52,56,575	114,31,63,227	124,91,76,764	15,46,66,390	2,01,07,559	–	252,68,98,823	104,83,57,752	112,73,40,889
Furniture and fixtures	4,13,64,407	1,12,44,793	34,11,054	2,21,999	5,57,98,255	97,66,771	89,85,635	48,83,582	2,32,237	–	2,34,03,751	3,23,94,504	3,39,56,923
Vehicles	1,83,59,035	78,93,649	1,36,96,244	27,48,962	3,71,99,966	47,95,081	40,82,061	30,31,816	11,72,956	–	1,07,36,002	2,64,63,965	1,73,75,541
Office Equipments	1,34,50,348	93,93,371	18,21,918	12,000	2,46,53,637	51,36,526	64,51,379	11,23,800	87,750	–	1,26,23,955	1,20,29,682	1,12,55,815
Computers	1,78,15,120	2,08,16,737	18,98,630	1,08,500	4,04,21,987	1,07,29,912	2,02,95,404	22,75,731	7,64,385	–	3,25,36,663	78,85,324	75,06,410
Total	205,20,38,572	305,36,46,832	11,48,04,455	1,96,28,079	520,08,61,779	126,49,84,197	142,28,59,309	20,23,66,175	2,23,64,887	–	286,78,44,794	233,30,16,985	241,78,41,899
B. Intangible Assets													
Computer software	2,11,85,919	–	19,21,882	–	2,31,07,801	1,74,13,290	–	19,82,572	–	–	1,93,95,862	37,11,939	37,72,628
Total	2,11,85,919	–	19,21,882	–	2,31,07,801	1,74,13,290	–	19,82,572	–	–	1,93,95,862	37,11,939	37,72,628
C. Capital Work in Progress													
CWIP	–	–	–	–	–	–	–	–	–	–	–	1,71,05,690	1,04,56,168
Total	–	–	–	–	–	–	–	–	–	–	–	1,71,05,690	1,04,56,168
D. Intangible Assets under development													
- Software	–	–	–	–	–	–	–	–	–	–	–	12,19,985	–
Total	–	–	–	–	–	–	–	–	–	–	–	12,19,985	–
Previous Year	199,63,50,499	306,08,22,085	8,32,11,295	1,35,12,554	512,68,71,325	118,82,91,207	139,59,82,595	12,49,76,150	71,70,182	31,77,032	270,52,56,802	242,16,14,523	80,80,59,292

Notes:

1. Lease Deed of part of the Leasehold land is yet to be executed in the name of the company.
2. Assets acquired on account of Amalgamation includes Land & Building (Dora & Hoskote units) of Bell Ceramics Limited which was revalued based on the report by a certified valuers as at 31st December 2010.

   The historical cost of Land and Building was ₹ 2,24,65,291 and ₹ 31,87,04,446 and their fair values were determined as ₹ 44,49,02,600 and ₹ 56,11,59,900 respectively and therefore an equivalent amount has been credited to Revaluation Reserve account.

   The method adopted by the certifed valuer for both the units for revaluation purpose, was Fair Market Value Method. In acordance with the option given in the Guidance Note on Accounting for Depreciation in Companies, the company recoups such additional depreciation out of Revaluation reserve consequent to said Revaluation there is an additional charge of depreciation of ₹ 1,41,57,971 and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Statement of Profit and Loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

Note 11 : NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Non- Trade investments (Valued at Cost,unless stated otherwise)		
Investment in Controlled Entity		
Investment in Orient Bell Holding Trust (March 31 2011:Nil)	20,22,75,807	–
(Yet to be dematerialzed in the name of Orient Bell Holding Trust)		
	20,22,75,807	–

NOTE 12 : LOANS AND ADVANCES

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital Advances				
Unsecured, considered good	16,40,211	50,29,382	–	–
(A)	16,40,211	50,29,382	–	–
Security Deposits				
Unsecured, considered good	3,52,02,319	8,45,79,956	5,65,14,196	7,50,969
(B)	3,52,02,319	8,45,79,956	5,65,14,196	7,50,969
Loan and Advances to Related Parties				
(Refer Note No. 30)				
Unsecured, considered good	–	–	–	–
(C)	–	–	–	–
Advance Recoverable in cash or in Kind				
Unsecured - considered good	–	–	1,85,47,031	96,79,457
Unsecured - Considered Doubtful	–	–	26,62,354	26,62,354
	–	–	2,12,09,385	1,23,41,811
Less: Provision for doubtful advances	–	–	26,62,354	–
(D)	–	–	1,85,47,031	1,23,41,811
Other Loans and Advances				
Advance Income Tax				
[(Net of Provision for taxation: ₹ 12,78,93,703)]	–	–	1,52,77,336	–
Balance with Government Authorities	–	–	5,42,33,639	5,79,10,845
MAT Credit Entitlement	5,49,97,324	–	–	–
Interest Accrued on Security Deposit	–	–	10,57,199	7,17,864
Prepaid expenses	–	–	1,00,16,535	1,29,70,724
Advances to Employees	–	–	1,10,56,505	1,21,96,969
(E)	5,49,97,324	–	9,16,41,213	8,37,96,402
Total Loans & Advances (A+B+C+D+E)	9,18,39,854	8,96,09,338	16,67,02,440	9,68,89,182

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 13 : INVENTORIES

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Raw Materials (includes in transit ₹ 2,64,35,026 (March 31, 2011: ₹ 1,85,92,185)	13,68,11,503	17,47,40,216
Work In Progress	1,79,21,954	3,08,74,231
Finished Goods	65,39,52,661	62,49,53,932
Traded Goods	10,62,03,285	4,68,44,804
Packing Material	1,40,62,935	1,04,20,863
Stores and Spares	14,46,80,057	14,46,42,065
	107,36,32,394	103,24,76,111

NOTE 14 : TRADE RECEIVABLES & OTHER ASSETS

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
14.1 - Trade Receivables				
(Unsecured, considered good unless stated otherwise)				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	–	–	36,63,929	30,18,216
Unsecured, considered good	–	–	6,56,36,465	1,23,05,189
Unsecured, Doubtful	–	–	1,06,39,737	1,40,98,599
	–	–	7,99,40,131	2,94,22,004
Less: Provision for doubtful recievables	–	–	1,06,39,737	1,40,98,599
(A)	–	–	6,93,00,394	1,53,23,405
Other Receivables				
Secured, considered good	–	–	6,67,55,193	1,93,53,661
Unsecured, considered good	–	–	65,37,38,785	47,82,78,270
(B)	–	–	72,04,93,978	49,76,31,931
Total (A+B)	–	–	78,97,94,372	51,29,55,336
14.2 - OTHER ASSETS				
(Unsecured, considered good unless stated otherwise)				
Non-current bank balances (refer note 15)	1,97,11,388	1,40,56,598	–	–
Others				
Interest accrued on fixed deposits	15,87,618	2,20,672	4,59,413	99,328
Export incentive recoverable	–	–	37,32,173	47,45,999
Advances to Suppliers	–	–	2,09,46,711	1,94,86,858
	2,12,99,006	1,42,77,270	2,51,38,297	2,43,32,185

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 15 : CASH & BANK BALANCES

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Cash & Cash Equivalents				
Balances with Banks :				
In Current Account	–	–	5,70,72,923	10,18,948
In Unpaid Dividend Account	–	–	12,76,044	10,41,524
Cash in hand	–	–	8,45,097	4,90,453
Foreign Currency in Hand	–	–	3,94,139	23,848
Cheques in Hand	–	–	7,61,106	3,52,055
Others Bank Balances				
Franking Stamps	–	–	–	734
Deposits with original maturity of more than 3 months but less than 12 months	–	–	36,84,348	20,76,501
Deposits with original maturity of more than 12 months	1,97,11,388	1,40,56,598	59,06,173	54,97,015
	1,97,11,388	**1,40,56,598**	**6,99,39,830**	**1,05,01,078**
Amount disclosed under non-current assets (refer note 14.2)	1,97,11,388	1,40,56,598	–	–
	–	–	**6,99,39,830**	**1,05,01,078**

a) Fixed Deposits with a carrying amount of ₹ 2,89,76,661 (March 31, 2011 ₹ 2,13,04,866) are subject to first charge to secure the holding Company's Loans from banks.

b) Fixed Deposits with a carrying amount of ₹ 3,25,248 (March 31, 2011 ₹ 3,25,248) are pledged with Govt. Authorities.

NOTE 16 : REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Sale of Product		
Finished Goods	475,24,88,953	290,61,43,521
Traded Goods	1,08,27,85,872	67,76,81,333
Other Operating Revenues		
Miscellaneous Sale	1,37,76,279	92,95,251
Export Incentives	42,04,028	63,04,239
Revenue from operations (gross)	**585,32,55,132**	**359,94,24,345**
Less: Excise duty*	39,05,07,483	26,10,44,228
Revenue from operations (Net)	**546,27,47,648**	**333,83,80,117**

* Excise Duty on Sales amounting to ₹ 39,05,07,483 (March 31, 2011: 26,10,44,228) has been reduced from Sales and Excise Duty on increase/(decrease) in stock amounting to ₹ 2,97,17,947(March 31, 2011 ₹ 40,99,571) has been considered as (Income)/Expense in Note No. 23 of Financial Statement

a) Details of products sold		
Finished goods sold		
Tiles	**475,24,88,953**	**290,61,43,521**
Traded goods sold		
Tiles	108,27,43,415	67,76,27,174
Others	42,457	54,159
b) FOB Value of exports	**6,67,13,238**	**8,03,66,369**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 17 : OTHER INCOME

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest Income		
On Fixed deposits	30,03,048	37,15,828
Others	7,55,139	10,03,971
Other non-operating income	90,38,348	8,26,39,116
	1,27,96,535	8,73,58,915

NOTE 18 : COST OF RAW MATERIAL CONSUMED

Raw Material		
Balances of Raw Material at the beginning of the Year	17,47,40,216	11,08,38,787
Add:- Purchases during the year	109,70,34,166	80,82,64,695
Less:- Balances of Raw Material at the end of the Year	13,68,11,503	17,47,40,216
Total Raw Material Consumption	113,49,62,879	74,43,63,265

a) Details of Raw Materials Consumed		
Clay & Minerals	48,37,44,430	35,43,21,325
Chemicals & Glaze Materials	65,12,18,449	39,00,41,940
	113,49,62,879	74,43,63,265
b) Details of inventory		
Tiles	76,01,08,985	67,46,76,165
Other Sanitary Goods	46,961	46,997
c) Consumption of indigenous & imported raw material		
Indigenous	109,10,78,282	69,78,14,445
Imported	4,38,84,597	4,65,48,820

NOTE 19 : (INCREASE) / DECREASE IN INVENTORIES

Inventories at the beginning of the year			
Work-in-progress		2,30,64,041	2,02,96,970
Work-in-progress acquired through Amalgamation		78,09,664	–
Finished goods			
Manufacturing Goods		42,91,73,458	53,67,14,697
Traded Goods		4,05,47,998	2,31,85,117
Acquired through Amalgamation		19,00,01,602	–
	(A)	69,05,96,763	58,01,96,784
Inventories at the end of the year			
Work-in-progress		1,79,21,954	3,08,74,231
Finished goods			
Manufacturing Goods		65,39,52,661	62,78,78,358
Traded Goods		10,62,03,285	4,68,44,804
	(B)	77,80,77,899	70,55,97,393
(Increase) / Decrease in Inventory	(B-A)	8,74,81,137	12,54,00,609

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a) Details of Purchases of Traded Goods		
Indegenous Goods		
Tiles	98,96,84,071	64,68,77,626
Others	–	–
Imported Goods		
Tiles	7,55,79,200	1,02,54,194
Others	–	–
	106,52,63,271	65,71,31,820
b) Details of Inventories		
Work In Progress		
Tiles	1,79,21,954	3,08,74,231
Traded Goods		
Tiles	10,61,56,324	4,67,97,807
Others	46,961	46,997
Manufactured		
Tiles	65,39,52,661	62,78,78,358

NOTE 20 : EMPLOYEE BENEFITS EXPENSE

Salaries, Wages & Bonus	50,88,88,074	34,33,79,462
Contribution to Provident and Other fund	1,89,17,850	1,35,10,821
Gratuity Expense (Refer note below)	29,23,927	70,89,600
Staff Welfare Expenses	2,15,87,777	1,34,25,392
	55,23,17,627	37,74,05,275

a) Employees Benefits

The holding company has classified the various benefit provided to employees as under

(i) Defined Contribution Plans

The holding company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the company is required to contribute a specified percentage of payroll costs. The company during the year recognised the following amount in the Statement of Profit and Loss.

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Employer's Contribution to Provident Fund/ Pension Fund	1,49,09,403	82,20,738
Employer's Contribution to State Insurance	33,47,447	31,20,949

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

(ii) Defined Benefit plans

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

I. Changes in present value of Defined Benefit obligations :

(Amount in ₹)

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit obligation as at the beginning of the year	5,16,01,998	1,46,18,616	4,51,20,237	1,32,48,169
Current Service Cost	59,41,936	19,38,250	39,66,062	9,12,709
Interest Cost	42,57,165	12,15,506	26,06,522	4,74,881
Actuarial (gain) / loss on obligations	(1,05,63,339)	(9,17,212)	(9,24,198)	18,11,488
Benefits paid	(17,02,981)	(17,29,755)	8,32,597	(18,29,068)
Defined Benefit obligation at the year end	4,95,34,779	1,51,25,405	5,16,01,220	1,46,18,179

II. Change in the Fair Value of Plan Assets

Particulars	Year ended March 31, 2012 Gratuity (Funded)	Year ended March 31, 2011 Gratuity (Funded)
Opening Fair Value of Plan Assets	3,53,41,323	2,82,98,823
Expected Return on Plan Assets	29,15,660	15,46,923
Contribution by employer	16,57,071	53,43,677
Benefits paid	(17,02,981)	(6,27,000)
actural gain/(loss) on Plan assets	(17,35,169)	7,80,014
Closing fair value of Plan Assets	**3,64,75,904**	**3,53,42,437**

III. Expenses/ (Income) recognized in the Profit & Loss

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current service Cost	59,41,936	19,38,250	39,66,062	9,12,709
Interest Cost on benefit obligation	42,57,165	12,15,506	26,06,522	4,74,881
Expected return on plan assets	(29,15,660)	–	(15,46,923)	–
Past service cost	–	–	14,59,597	–
Acturial (gain)/Loss recognised during the year	(88,28,170)	(9,17,212)	(17,04,212)	18,11,488
Net benefit expense	(15,44,729)	22,36,544	47,81,046	31,99,078

IV. Net Assets / (Liability)

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of Defined Benefit Obligation	(4,95,34,779)	1,51,25,405	(5,16,01,220)	1,46,18,179
Fair Value of Plan Assets	3,64,75,904	–	3,53,42,437	–
Net Assets/(liability) recognised in Balance Sheet	(1,30,58,875)	1,51,25,405	(1,62,58,783)	1,46,18,179

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

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

Particulars	Year ended March 31, 2012 Gratuity (Funded)	Year ended March 31, 2011 Gratuity (Funded)
Insured with Kotak Mahindra Old Mutual Life Insurance Ltd	99.90%	99.90%
Bank Balance	0.10%	0.10%

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

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Discount Rate	8.50%	8.50%	8.25%	8.25%
Rate of Increase in compensation	6.00%	6.00%	6.00%	6.00%
Rate of return on Plan assets (for gratuity)	8.50%	–	8.25%	–
Mortality (Published notes under the LIC (1994 - 96) duly modified)			–	–

Note:

Acturial's valuation is based on esclation in future salary on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTE 21 : FINANCE COST

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest Expense	20,64,47,224	14,31,67,433
Interest on delayed payment of Income Tax	10,84,379	5,20,322
Exchange difference to the extent considered as an adjustment to borrowing cost	12,91,288	–
Other borrowing costs	1,05,18,416	1,95,65,414
	21,93,41,307	**16,32,53,169**

NOTE 22 : DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and Amortisation	20,43,32,639	12,58,76,150
Less: Transferred from Revaluation Reserve (Refer Note 10)	(1,41,57,971)	–
	19,01,74,667	**12,58,76,150**

NOTE 23 : OTHER EXPENSES

Stores & Spares consumed	16,51,35,121	9,55,46,372
Packing Material Consumed	20,93,61,235	13,06,33,011
Increase/(Decrease) in Excise Duty	2,97,17,947	40,99,571
Natural Gas	88,70,84,798	55,85,17,760
Electricity	15,11,73,845	3,89,97,543
Fuel & Others	5,99,02,101	2,30,63,629
Rent	4,38,39,714	3,61,15,303
Hire Charges	3,13,17,900	1,14,73,883
Rates & Taxes	51,84,925	43,97,706
Insurance	48,16,876	24,96,432

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 23 : OTHER EXPENSES (Contd.)

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Repair & Maintenance		
Plant & Machinery	1,72,66,844	87,20,550
Buildings	44,59,090	37,96,070
Other	1,19,20,519	1,04,96,497
Designing & Processing	63,29,415	61,02,890
Freight & Forwarding Charges	25,40,18,406	15,79,90,049
Advertisement and Sales Promotion	7,04,19,694	4,91,96,694
Discount	16,98,00,540	8,14,60,451
Sales Commission	3,33,47,231	4,17,09,415
Travelling & Conveyance	7,77,16,255	6,46,38,467
Communication Costs	1,14,90,640	91,89,065
Printing & Stationery	44,75,742	36,88,670
Legal & Professional Exps.	1,20,93,667	98,96,079
Director's Sitting fees & Other Expenses	6,90,446	5,44,009
Payment to the Auditors (refer note (b) below)	12,51,049	8,98,613
Exchange difference (net)	10,14,155	–
Sundry Balances written off	26,42,079	95,69,135
Trainees & Recruitment	91,28,435	46,00,744
Loss on sale of fixed assets	8,01,720	7,23,595
Watch & Ward Expenses	54,47,305	49,96,093
Miscellaneous expenses	1,88,05,331	1,03,74,895
	230,06,53,027	138,39,33,191

a) Consumption of Imporetd stores and spares		
Indigenous	11,97,19,293	7,32,66,821
Imported	4,54,15,828	2,22,79,551
b) Payment to the Auditors:		
As Auditors	9,76,049	4,50,000
For Taxation matters	1,50,000	1,00,000
For other services	85,000	3,22,500
Reimbursement of Expenses	40,000	26,113
	12,51,049	8,98,613
c) Gross expenditures in foreign currency (payment basis)		
Travelling	32,95,752	34,39,865
Membership & Subscription	45,062	49,170
Payment to Technicians	1,07,236	–
Designing & Processing	52,67,955	53,38,164
	87,16,005	88,27,199

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 24 : EXCEPTIONAL ITEMS

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Depreciation Written Back	(1,12,47,940)	–
Surrender Value of Keyman Insurance Policy	–	(6,78,43,851)
	(1,12,47,940)	**(6,78,43,851)**

NOTE 25: EARNINGS PER SHARE (EPS)

Basic Earnings per share		
Profit/Loss attributable to the equity shareholders	13,45,34,885	12,60,80,589
Weighted Average number of equity shares outstanding at the end of the year	1,05,30,000	1,05,30,000
Basic Earnings per share	12.78	11.97
Diluted Earnings per share		
Weighted Average number of equity shares in calculating basic EPS	1,05,30,000	1,05,30,000
Effect of Dilution:		
Shares pending allotment on Amalgamation	30,43,451	–
Weighted Average number of equity shares in calculating Diluted EPS	1,35,73,451	1,05,30,000
Diluted Earnings per share	9.91	11.97

NOTE 26 :

The name of the Holding Company has been changed from Orient Ceramics And Industries Limited to Orient Bell Limited with effect from 15th March, 2012. During the year erstwhile subsidiary company i.e Bell Ceramics Limited (hereinafter referred as 'transferor company') has been amalgamated with Orient Ceramics and Industries Limited (herein referred as 'transferee company') consequent upon sanction of Scheme of Arrangement as approved by the Hon'ble High Court of Allahabad vide its Order dated 19th December 2011 and by the Hon'ble High Court of Ahmedabad vide its Order dated 7th February 2012 u/s 394 of the Companies Act, 1956 and necessary filing of said Order with the Registrar of Companies on 30th March, 2012 , being the 'Effective Date' on which the scheme has become effective. The relevant clauses of such approved scheme are as under:

(a) Pursuant to such approved scheme, entire business of transferor company including all assets and liabilities shall stand transferred to and vested with the Holding Company with effect from 1st January 2011 being the "Appointed Date".

(b) The amalgamation has been accounted for under the "Pooling of interest " method as prescribed by the Accounting Standard (AS-14) of the Companies (Accounting Standards) Rules, 2006. Accordingly the assets, liabilities, and reserves of transferor company, as at 1st January 2011 have been taken over at book values.

(c) All inter-company balances between the Transferor company and the Transferee company have been cancelled and there shall be no further obligation/outstanding in this behalf.

(d) Since the Transferor company was amalgamated w.e.f 1st January, 2011, the profit and loss for the period 1st January to 31st March 2011 which has been incorporated in the financial statements of Orient Bell Limited is stated as follows:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

Statement of Profit & Loss for the period ended March 31, 2011

(Amount in ₹)

	Particulars	Year ended March 31, 2011
I	Revenue from Operations (Gross)	46,82,28,114
	Less: Excise duty	3,74,54,620
	Revenue from Operations (Net)	43,07,73,494
II	Other Income	1,06,07,929
III	Total Revenue (I + II)	**44,13,81,423**
IV	Expenses:	
	(a) Cost of Materials Consumed	25,80,71,949
	(b) Purchases of Stock-in-Trade	1,59,96,929
	(c) Decrease/ (Increase) in Inventories	(24,99,647)
	(d) Employee Benefits Expense	4,62,78,478
	(e) Finance Costs	2,98,65,365
	(f) Depreciation and Amortization Expense	2,71,88,036
	(g) Other Expenses	6,08,25,581
	Total expenses	**43,57,26,692**
V	Profit before exceptional and extraordinary items and tax (III-IV)	56,54,731
VI	Exceptional items	2,01,64,546
VII	Profit before tax (V - VI)	2,58,19,278
VIII	Tax expense:	
	Current tax	–
	Deferred Tax	54,55,000
IX	Profit (Loss) after tax (VII-VIII)	**3,12,74,278**
	Loss brought forward from Previous Year	(13,98,74,088)
	Balance Transferred to Balance Sheet	**(10,85,99,811)**

NOTE 27 :

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

NOTE 28 : RELATED PARTY DISCLOSURE

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

(i) Related Parties :

A Subsidiary Company

(a) ELIT International Trading (HK) Pvt. Ltd.*

(b) Bell Ceramics Ltd.**

* became subsidiary w.e.f 17th January 2012

** due to amalgamation, Bell Ceramics Ltd. Had ceases to be subsidiary w.e.f 1st January, 2011 (refer Note 26).

B Enterprises owned or significantly influenced by KMP or their relatives

(a) Freesia Investment and Trading Co. Ltd.

(b Goodteam Investment & Trading Co. Pvt. Ltd.

(c) Alfa Mercantile Ltd.

(d) Morning Glory Leasing & Finance Ltd.

(e) Iris Designs Pvt. Ltd.

(f) Mahendra K. Daga - HUF

C Key Managerial Personnel

(a) Mr. Mahendra K. Daga, Chairman and Managing Director

(b) Mr. Madhur Daga, Executive Director

D Relatives of Key Managerial Personnel

(a) Mrs. Sarla Daga w/o Mahendra K. Daga

(b) Mrs. Roma Monisha Sakraney Daga w/o Madhur Daga

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

(ii) Disclosure of transactions between the Company and related parties and status of outstandings as on 31st March 2012

(Amount in ₹)

Particulars	Enterprises woned or significantly influenced by KMP or their relatives	Key Managerial Personnel	Relatives of Key Managerial Personnel
Nature of Transaction:			
a) Loan Received	75,35,000 (1,00,50,000)	1,89,90,000 (5,92,10,000)	37,50,000 (2,71,50,000)
b) Loan Given/Repaid	35,75,000 (3,31,25,000)	– (4,10,000)	– –
c) Interest Payment	38,12,121 (30,79,738)	69,89,946 (50,57,712)	29,18,521 (14,70,001)
d) Hire Charges Paid	36,83,000 (55,80,032)	– –	– –
e) Rent Paid	8,32,140 (8,32,140)	– –	– (24,000)
f) Managerial Remuneration	– –	1,84,65,806 (1,82,16,169)	– –
g) Security Deposit Paid	– (90,000)	– –	– –
h) Security Deposit Refunded	11,25,000 (5,15,000)	– –	– –
i) Consultancy Charges	3,00,000 (3,00,000)	– –	– –
j) Investments Made	– –	– –	– –
Outstanding as on 31.03.2012			
a) Unsecured Loans Payable	3,93,00,000 (2,04,00,000)	7,98,00,000 (7,57,50,000)	3,09,00,000 (2,71,50,000)
b) Other Current Liabilities	67,500 (67,500)	– –	– –
c) Other Current Assets	16,08,035 –	– –	– –

Figures in brackets represents figures for the year ended March 31, 2011 and transaction with subsidiary Bell Ceramics Limited for the year ended March 31, 2012 is now been given till December 31, 2010.

Disclosure in respect of Material transactions with related parties

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
a) Loan received		
Key Managerial Person		
Mr. Mahendra K. Daga	1,24,40,000	2,61,10,000
Mr. Madhur Daga	65,50,000	1,79,00,000
Relatives of Key Managerial Persons		
Mrs. Sarla Daga	34,50,000	2,71,50,000
Mrs. Roma Monisha Sakraney Daga	3,00,000	–
Enterprises owned or significantly influenced by KMP or their relatives		
Mahendra K. Daga - HUF	27,35,000	1,52,00,000
Goodteam Investment & Trading Co Pvt. Ltd	44,50,000	–
Iris Designs Pvt Limited	3,50,000	–

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

Disclosuer in respect of Material transactions with related parties (Contd.)

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
b) Loan Given/Repaid		
Enterprises owned or significantly influenced by KMP or their relatives		
Iris Designs Pvt Limited	–	3,01,50,000
Goodteam Investment & Trading Co Pvt. Ltd	35,00,000	–
Mahendra K. Daga - HUF	75,000	–
c) Interest Payments		
Enterprises owned or significantly influenced by KMP or their relatives		
Goodteam Investment & Trading Co Pvt. Ltd	21,38,658	17,87,711
Iris Designs Pvt Limited	32,507	12,30,602
Mahendra K. Daga - HUF	16,40,956	–
Key Managerial Person		
Mahendra K. Daga	45,79,425	28,11,852
Madhur Daga	24,10,521	14,14,698
Relative of Key Managerial Persons		
Sarla Daga	29,04,302	14,70,001
Roma Monisha Sakraney Daga	14,219	–
d) Hire Charges Paid		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd	36,83,000	55,80,032
e) Rent Paid		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd	6,66,000	6,66,000
Alfa Mercantile Ltd.	48,000	–
Morning Glory Leasing & Finance Ltd.	52,140	–
Iris Designs Pvt Limited	66,000	–
Relative of Key Managerial Persons		
Sarla Daga	24,000	–
f) Security Deposit Paid		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd	–	90,000
g) Security Deposit Received		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd	11,25,000	5,15,000
h) Consultancy Charges		
Enterprises owned or significantly influenced by KMP or their relatives		
Morning Glory Leasing & Finance Ltd.	3,00,000	3,00,000
i) Managerial remuneration		
Salary	1,81,50,000	1,79,00,000
Contribution to Provident Fund	9,360	9,360
Perquisites	3,06,446	3,06,809
	1,84,65,806	**1,82,16,169**
j) Others		
During the year, consequent upon the Amalgamation, holding company has acquired all the assets and liabilities of its erstwhile subsidiary Bell Ceramics Limited. Against such acquisition, shares are pending to be allotted to the erstwhile shareholders of Bell Ceramics Limited.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2012

NOTE 29 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a. Derivatives outstanding as at the Balance Sheet date

Particulars	Purpose
Forward Contract to buy US $ (US $ 377,112 (March 31, 2011 $: 173,177.01) (Euro : Nil (March 31, 2011 Euro : 102817.90) (₹ 2,01,14,640 (March 31, 2011 : 1,37,74,899))	Hedging contracts for payments against import of Raw Material, Stores and Capital items

b. Particulars of Unhedged foreign currency exposures as at the reporting date

Particulars	Purpose
Import Trade Payables	(Euro 108,262 (March 31, 2011 Euro : 69,000)) (US $ Nil (March 31, 2011 : 205,531.20)) (₹ 73,49,636 (March 31, 2011: 1,34,96,453))

c. All Derivative contracts entered into by the company are for hedging purposes only.

d. During the year the company has provided ₹ 47,605 towards premium on forward exchange contracts (March 31, 2011: ₹ 81,86,295).

NOTE 30 :

(i) The Group is engaged in manufacture of Ceramic and Vitrified tiles. The entire operations are governed by same set of risk and returns. Hence, the same has been considered representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard-17 on Segment Reporting.

(ii) The company sells its products mostly within India with insignificant export income and does not have any operations in economic enviornments with different risk and returns, hence, its considered operating in single geographical segment.

NOTE 31 :

The financial statements for the year ended March 31st 2011 had been prepared as per the then applicable, pre revised Schedule VI to The Companies Act, 1956. Consequent to the notification of Revised Schedule VI under The Companies Act, 1956, the financial statements for the year ended March 31st 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

for & on behalf of Board of Directors
Orient Bell Limited

Mahendra K. Daga	Madhur Daga	R.N. Bansal	N.R.Srinivasan
Chairman & Managing Director	*Executive Director*	*Director*	*Director*
DIN 00062503	DIN 00062149	DIN 00270908	DIN 00062317

Place: New Delhi	Vijay Shankar Sharma	Yogesh Mendiratta	Jaywant Puri
Dated: 30th May, 2012	*Chief Executive Officer*	*Company Secretary*	*Vice President, Accounts & Finance*

CORPORATE INFORMATION

Board of Directors

Mr. Mahendra K. Daga, *Chairman & Managing Director*

Mr. Madhur Daga, *Executive Director*

Mr. R.N. Bansal

Mr. N.R. Srinivasan

Mr. Dhruv M. Sawhney

Mr. P.M. Mathai

Mr. K.M. Pai

Ms. Madhavi M. Kapadia, *Nominee Director – IDBI Bank*

Chief Executive Officer

Mr. Vijay Shankar Sharma

Audit Committee

Mr. R.N. Bansal, *Chairman*

Mr. Mahendra K. Daga

Mr. N.R. Srinivasan

Mr. P.M. Mathai

Mr. K.M. Pai

Shareholders/ Investors Grievance and Share Transfer Committee

Mr. N.R. Srinivasan, *Chairman*

Mr. Mahendra K. Daga

Mr. Madhur Daga

Remuneration Committee

Mr. N.R. Srinivasan, *Chairman*

Mr. Dhruv M. Sawhney

Mr. R.N. Bansal

Mr. K.M. Pai

Company Secretary

Mr. Yogesh Mendiratta

Statutory Auditors

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

Bankers

State Bank of India
Punjab National Bank
Axis Bank
ING Vysya Bank
IDBI Bank
Bank of Bahrain & Kuwait
Bank of India

Corporate Office

IRIS House, 16, Business Centre,
Nangal Raya, New Delhi – 110 046

Registered Office

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

Plants

1. 8, A-75 to A-80, A-84 & A-85, Institutional Area, Sikandrabad, Bulandshahr (U.P.)
2. Village Dora, Taluka Amod, Dist. Bharuch – 392230, Gujarat.
3. Village Chokkahalli, Taluka Hoskote, Bangalore (Rural)- 562114, Karnataka.

Registrar & Share Transfer Agent

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of the members of Orient Bell Limited (formerly: Orient Ceramics And Industries Ltd.) will be held on Friday, the 28th day of September, 2012 at 11.30 a.m. at the Registered Office of the Company at 8, Industrial Area, Sikandrabad–203 205, Distt. Bulandshahr (U.P.) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2012, the Profit & Loss Account for the financial year ended on that date and the reports of Directors' and Statutory Auditors' thereon.

2. To declare dividend for the financial year ended 31st March 2012.

3. To appoint a Director in place of Mr. R. N. Bansal who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint M/s S.R. Dinodia & Co., Chartered Accountants (firm registration no. 01478N) as Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Special Business:

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

   "RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereafter called the 'Act') and rules made there under and any amendments thereto or statutory modifications or re-enactment thereof and subject to the approval of the Central Govt., if necessary and such other approvals, permissions and sanctions as may be required in this regard, consent of the Company is hereby accorded for the re-appointment of Mr. Mahendra K. Daga as Managing Director (designated as Chairman & Managing Director) of the Company, not liable to retire by rotation, for a period of three years from 1st December 2012 to 30th November 2015, on the remuneration and terms and conditions as set out below, with liberty and powers to the Board of Directors (hereinafter referred to as 'the Board' which terms shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions in such manner as the Board may deem fit and is acceptable to Mr. Mahendra K. Daga and/ or to change his remuneration, within the overall limits specified in Schedule XIII to the Act or any statutory amendment, modification, re-enactment thereof:-

A) **Salary:** ₹ 7,15,000/- (Rupees Seven Lacs Fifteen Thousand only) per month in the scale of ₹ 7,15,000-85,000-8,85,000;

B) **Commission:** On net profits of the Company computed in accordance with relevant provisions of the Act, to be determined by the Board from time to time provided that the total remuneration including salary, commission and other perquisites shall be subject to the overall ceilings laid down in the relevant provisions of the Act or any amendments thereto;

C) **Perquisites:** In addition to the Salary and Commission, Mr. Mahendra K. Daga shall be entitled, as per rules of the Company, to the following perquisites with an authority to the Board to grant, alter or vary from time to time, the amount and type of perquisites payable to him:

   i. Rent free furnished / unfurnished residential accommodation or HRA of maximum of 60% of salary in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962;

   ii. Full reimbursement of all medical expenses incurred for self and family, including hospitalization, membership of any hospital and / or doctors' scheme and medical insurance. Facility of medical checkup / treatment abroad, if and when needed, the total cost of which including travel to and fro and for the stay in the foreign country, with an attendant, shall be borne by the Company in addition to the aforesaid remuneration;

   iii. Leave Travel Concession for self and family once in a year;

   iv. Subscription to clubs, subject to a maximum of two clubs and credit card facility. In case of clubs, no admission and life membership fee shall be paid;

   v. Personal accident insurance premium;

vi. Company maintained car with driver, telephones, mobile phone, hand held e-mail devices, computers, printers, laptops, i-pads, internet, broadband and fax at residence. Use of telephones, mobile phone, hand held e-mail devices, computers, printers, laptops, i-pads, internet, broadband, fax and car with driver for official purposes shall not be considered as a perquisite. The valuation of personal use of car would be as per prevalent Income-tax Rules and personal use of telephone for long distance calls will be charged on actual basis;

vii. The Managing Director shall be entitled to such other benefits or amounts as may be approved by the Board and permissible under Schedule XIII to the Companies Act, 1956 or otherwise;

The following perquisites shall also be allowed and they will not be included in the computation of the ceiling on perquisites:

i. Company's contribution to Provident Fund and Superannuation Fund Schemes;

ii. Payment of Gratuity and other retrial benefits as per policies/ rules of the Company;

iii. Encashment of leave as per policy of the Company;

D) Other Terms and Conditions:

Minimum Remuneration:

Notwithstanding anything herein contained, in case of no profits or inadequate profits in any financial year, the payment of salary, perquisites and other allowances shall be as aforesaid subject to the limits/ approvals as prescribed under Section II of Part II of Schedule XIII to the Act or any other statutory modifications therein, substitutions or re-enactment thereof and shall be adjusted accordingly.

Others:

a) The Company shall reimburse traveling, entertainment and other business promotion expenses actually incurred for the business of the Company.

b) For the purpose of Gratuity and other benefits, the services of the Managing Director will be considered continuous service with the Company from the date he joined the services of this Company in any capacity including renewal of his agreement with the Company as Managing Director or in any other capacity as may be decided by the Board of Directors from time to time.

RESOLVED FURTHER that the Board of Directors/ Remuneration Committee be and is hereby authorised to grant increments and other perquisites so as not to exceed the maximum limit for payment of remuneration specified in Schedule XIII to the Companies Act 1956 or any amendments thereto and / or alter and vary the terms and conditions of his appointment and / or change his designation as may be agreed to between the Board of Directors/ Remuneration Committee and Mr. Mahendra K. Daga."

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

"RESOLVED THAT, in accordance with the provisions of Sections 198, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and rules made there under and any amendments thereto or statutory modifications or re-enactment thereof, and in partial modification of the Resolutions passed earlier in respect of reappointment and remuneration of Mr. Madhur Daga, Whole Time Director (designated as Executive Director), and subject to any approvals, consents, permissions or sanctions of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, while granting such approval and which may be agreed to and accepted by the Board of Directors of the Company (herein after referred to as "Board" which expression shall include any committee of the Board) and Mr. Madhur Daga, the consent of the Company be and is hereby accorded for increase/ revision in the remuneration of Mr. Madhur Daga with effect from 01st October 2012 till his remaining tenure i.e. up to 30th September, 2013 as set out in the Explanatory Statement.

RESOLVED FURTHER that in the absence or inadequacy of profits in any financial year during the remaining tenure of Mr. Madhur Daga as Whole Time Director, he shall be paid the remuneration and perquisites referred to above as the Minimum Remuneration with the approval of the Central Government.

RESOLVED FURTHER that save and except as aforesaid, the special resolution dated 31st August, 2010 shall remain in full force and effect.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to take all actions and steps expedient or desirable to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. K. M. Pai, who was appointed as an Additional Director by the Board of Directors of the Company in terms of Section 260 of the Companies Act, 1956 on 02nd April, 2012 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. P. M. Mathai, who was appointed as an Additional Director by the Board of Directors of the Company in terms of Section 260 of the Companies Act, 1956 on 23rd April, 2012 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By order of the Board
For Orient Bell Limited

Place: New Delhi — Yogesh Mendiratta
Dated: 14th August, 2012 — *Company Secretary & Head- Legal*

NOTES:

i. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member of the Company. The appointment of proxy in order to be effective must be lodged at the Corporate Office of the Company not less than 48 hours before the commencement of the meeting, in the form enclosed hereto, duly filled and authenticated. A proxy cannot vote except on a poll.

ii. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special businesses is annexed hereto.

iii. The Register of Members and Share Transfer Books will remain closed from 21st September, 2012 to 28th September, 2012 (both days inclusive) for the purpose of payment of Dividend on the equity shares for the financial year ended 31st March 2012, if declared by the members at the ensuing Annual General Meeting.

iv. Final dividend of ₹ 1.50 per share has been recommended by the Board of Directors in its meeting held on 30th May, 2012 which after the approval of members at the ensuing Annual General Meeting, will be paid to those members whose name appear on the Register of Members of the Company after giving effect to all valid transfers in physical form lodged with the Company on or before 20th September, 2012 or in respect of shares held in electronic form, to those whose names appear as Beneficial Owners as at the end of business hours on 20th September, 2012 as per the list to be furnished by the Depositories.

v. The shares of the Company are traded in DEMAT segment only. Members who still hold the shares of Company in physical form are advised to contact their Depository Participant for dematerialization of their holdings in their own interest. The ISIN No. allotted to Company is INE607D01018 for both the Depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

vi. Members holding equity shares in physical form are requested to notify change of address, if any to the Company's Registrar i.e. MCS Limited at F-65, Okhla Industrial Area, Phase-I, New Delhi 110020 or at Company's Corporate Office at IRIS House, 16, Business Centre, Nangal Raya, New Delhi-110 046.

vii. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days except Sundays and Holidays between 10 a.m. and 1 p.m. only up to the date of Annual General Meeting.

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

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

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

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

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

ix. Members are entitled to make nomination in respect of shares held by them in physical form as per the provisions of section 109B of the Companies Act, 1956. Members desirous of making nomination are requested to send Form 2B either to the Company or its Registrar and Share Transfer Agent. Members holding shares in DEMAT form may contact their respective Depository Participant for recording nomination in respect of their shares.

x. Members (Transferees) who wish to get the shares, held by them in physical form, transferred in their name are advised to send copy of their PAN card along with the request for share transfer.

xi. Members holding shares in physical form who have not yet provided the Bank details are requested to provide the Bank Account Number, name of Bank and address of the Branch, quoting their folio number, so that the same can be printed on dividend instrument, to avoid the incidence of fraudulent encashment of the instrument. In respect of the members holding shares in electronic mode, bank details as are furnished by the depositories will be printed on the dividend instrument.

xii. The Ministry of Corporate Affairs (MCA), Government of India has undertaken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies through electronic mode, vide its circulars dated 21st April, 2011 and 29th April, 2011. To take part in the above green initiative, soft copy of the annual report for the year ended 31st March, 2012 will be sent to all those members whose e-mail address is registered with the Company/ Depository Participants unless any member has requested for a hard copy of the same. All those members, who have not yet registered their e-mail address with the Company or Depository Participant, are requested to do the same at the earliest as your Company proposes to send communications/ documents including notices for the general meetings and annual reports from time to time in electronic mode to those members who have provided their e-mail addresses to their Depository Participants (DPs).

The members holding shares in DEMAT form may update their e-mail addresses with their respective DPs and where the shares are held in physical form, please get your e-mail address updated in the records of the Company by sending an e-mail at investor@orientbell.com. Even after registration for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, by post / courier free of cost. The Annual Report for 2011-12 will also be available on the Company's website www.OrientBell.com for download by the members.

xiii. Members are requested to send their queries, if any, to the Company Secretary at Corporate Office at least 7 days before the date of the Annual General Meeting.

xiv. As usual, no gifts will be distributed at the meeting.

By order of the Board
For Orient Bell Limited

Place: New Delhi
Dated: 14th August, 2012

Yogesh Mendiratta
Company Secretary & Head- Legal

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

Item No. 5

Mr. Mahendra K. Daga was appointed as Managing Director (Designated as Chairman & Managing Director) for a period of three years effective 01st December 2009 and his tenure would end on 30th November 2012. The Remuneration Committee and the Board of Directors at their meetings held on 14th August, 2012 have, subject to the approvals of Members, Central Government and such other approvals as may be necessary, approved the re-appointment of Mr. Mahendra K. Daga as Managing Director of the Company for a further period of three years effective 01st December 2012 and also the remuneration as enumerated in the Special Resolution which is commensurate with his qualification, experience and the responsibilities entrusted on him.

Mr. Mahendra K. Daga is at the helm of affairs of the Company as Chairman and Managing Director. Under his valuable guidance and leadership since 1993 when Mr Daga became the Managing Director, the Company turned into a profitable venture and became a regular dividend paying company. The company has acquired Bell Ceramics Limited in 2010 and became a merged entity in 2012. The role and responsibility of Mr Daga has become three fold as the Company now owns three plants at three different locations at Sikandrabad (U.P.), Hoskote (Karnataka) and Dora (Gujarat).

Subject to the provisions contained under sections 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956, member's approval by way of Special Resolution is required for the appointment and payment of remuneration for an amount as stated in the Special Resolution at item no. 5 of the accompanying notice.

None of the Directors except Mr. Mahendra K. Daga and Mr. Madhur Daga (who is son of Mr. Mahendra K. Daga) are concerned or interested in the resolution.

In terms of Section 302 of the Companies Act, 1956, this may be construed as abstract for reappointment of Mr. Mahendra K. Daga as Managing Director.

The following disclosures are being made in this Explanatory Statement in compliance with Section II in Part II of Schedule XIII to the Companies Act, 1956:

I. General Information:

1. The Company is engaged in the business of manufacture and trading of Ceramic Tiles. The manufacturing facilities of the Company are situated at Sikandrabad (Uttar Pradesh), Dora (Gujarat) and Hoskote (Karnataka) with an aggregate production capacity of 28 Million sq. meter.
2. The Company commenced commercial production w.e.f. 7th October 1977.
3. The Company is an existing entity and has already commenced Commercial Production.
4. Financial performance of the Company for the year 2011-12 is as follows : (₹ in Lacs)

Particulars	2011-12	2010-2011
Gross Sales & Other Operating Income	58,533	31,340
Profit Before Tax	1,117	1,441
Profit After Tax	1,347	977
Paid up Equity Capital	1,357*	1,053
Reserves & Surplus	15,567	5,829
Basic / Diluted Earning Per Share (₹)	12.79/9.92	9.28/9.28

*₹ 304 lacs pending allotment as on 31.03.2012

5. The company has earned ₹ 667 Lacs (FOB value of Exports) in foreign Exchange during the financial year 2011-12.
6. The company has invested HK$ 20,000 in its wholly owned Subsidiary viz. Elit International Trading (HK) Pvt. Ltd. towards foreign investment.

II. Information about the appointee:

1. Mr. Mahendra K. Daga, BA, FIM (Fellow of the Institute of Management) UK, aged about 74 yrs. has over 44 years of successful experience. His name is synonymous with the tiles industry. Under the overall supervision of the Board of Directors, he has been instrumental in taking the Company from strength to strength to its present position.
2. The total remuneration of Mr. Mahendra K. Daga for the Financial Year 2011-12 was ₹ 1,00,66,196/-.
3. Mr. Daga is the Founder member of the Indian Council of Ceramic Tiles & Sanitaryware (ICCTAS), the apex body in India representing the Ceramic Industry. His expertise in the field has won him the prestigious Fellowship by the British Ceramic Institute. He has also represented India as one of the eight speakers from all over the world at the "International Meeting on Ceramic Industry" organized by Assciazione Costrullori Italiani Machine Attrezzature per Ceramica, at Modena, Italy on 26th May, 2000. Mr. Mahendra K. Daga, an environmentalist, makes all possible efforts to conserve the precious nature. He was awarded by the Chief Minister of Delhi for maintaining the best rainwater harvesting system in Delhi in the year 2009.
4. Mr. Daga is most suitable for the job of Managing Director of the Company as he has been in this position since December 1993. Under his leadership, the Company has achieved significant growth in a very short span and has carved a niche for itself in the industry.
5. The detail of proposed remuneration is as per special resolution at item no. 5.
6. The remuneration proposed to be paid to Mr. Daga is commensurate with the size of the Company, nature of its operations and is in line with the industry standards.
7. Besides his remuneration, Mr. Daga had pecuniary relationship with the Company as mentioned in note no. 28– Related Party Disclosures. He has no relationship with any managerial personnel of the Company, except with Mr. Madhur Daga, Executive Director, who is his son.

III. Other Information:

1. At present, the performance of the Company is satisfactory as compared to the industry norms. However, in the event

of any unforeseen circumstances and conditions beyond its control, the profitability of the Company may be affected.

2. The Company is continuously looking at the new business opportunities and new markets to grow. The Company had acquired Bell Ceramics Limited in the year 2010-11 and got it merged into it in 2011-12. The name of the Company has also changed to Orient Bell Limited. The Company has become a bigger entity with two well established brands, viz., 'Orient' and 'Bell'. Post merger, Orient Bell Limited has three manufacturing plants in North, West and South India at Sikandrabad (U.P.), Dora (Gujarat) and Hoskote (Karnataka) respectively.

3. It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and profitability will continue to be above industry average.

IV. Disclosures:

1. The shareholders are being informed of the remuneration package by way of explanatory statement as given above.

2. The details of remuneration etc. of other Directors are included in the Corporate Governance Report and forming part of the Annual Report of the Company.

   The Board recommends the passing of the Resolution at Item No. 5 as Special Resolution.

Item No. 6

The Members of the Company at the 33rd Annual General Meeting held on 31st August 2010 appointed Mr. Madhur Daga as Whole Time Director (Designated as Executive Director) of the Company for a period of 3 years w.e.f. 1st October, 2010 on the terms and conditions as approved by the members. The terms of appointment and remuneration of Mr Madhur Daga have also been approved by the Central Government.

Mr Madhur Daga, although responsible for the overall management of the company in his present role as Executive Director, spends most of his time leading Orient's and Bell's Product Innovation Team & interacting with customers. With the merger of Bell Ceramics Limited the overall operations including the dealer, customer and sales network has increased multifold and so the role and responsibility of Mr Madhur Daga. Keeping in view this factor and no increase effected in his remuneration since his re-appointment in the year 2010 and also the industry drift, the Remuneration Committee and Board of Directors in their respective meetings held on 14th August, 2012 approved the increase in remuneration of Mr Madhur Daga subject to the approval of members and Central Government, as set out below:

A) Salary:

Salary Per Month (₹) up to 30th September, 2012	Salary Per Month (₹) w.e.f. 01st October, 2012
₹ 5,00,000/-	₹ 6,50,000/-

B) **Commission / Performance Bonus:** An amount as may be decided by the Remuneration Committee/ Board of Directors;

C) **Allowances and Perquisites:** In addition to the Salary and Commission/ Performance Bonus, Mr. Madhur Daga shall be entitled, as per rules of the Company, to the following perquisites with an authority to the Board to grant, alter or vary from time to time, the amount and type of perquisites payable to him:

I. **Housing:**

1. Rent free furnished residential accommodation or House Rent Allowance subject to maximum of 60% of the salary in case accommodation is not provided.

2. Actual expenses for maintenance of accommodation, gas, electricity, water, other utilities, furniture, furnishings, domestic help, security guards shall be borne/ reimbursed by the company.

II. **Medical Reimbursement:** Reimbursement of all medical expenses incurred for self and family in India and abroad including membership of any hospital and / or doctors' scheme and medical insurance. Facility of medical check up / treatment abroad, if and when needed, the total cost of which including travel to and fro and for the stay in the foreign country, with an attendant and medical supervision, if required, shall be borne by the Company.

III. **Leave Travel Assistance:** Once a year for self and family in India or abroad;

IV. **Club Memberships:** Subscription or reimbursement of membership fees (including admission and life membership for two clubs) in India and/ or abroad;

V. Benefits, if any, assigned to him under any of the Company's employee benefit scheme;

VI. Personal accident insurance premium;

VII. Periodicals/ Books re-imbursement;

VIII. Company shall provide/ reimburse chauffeur driven car, telephones, mobile phone, hand held e-mail devices, i-pads, computers, printers, laptops, internet, broadband and fax at residence.

IX. Other Allowances: As may be decided by the Board/ Remuneration Committee from time to time subject to the provisions of the Companies Act, 1956 and Schedule XIII thereto;

Explanation: Allowances and Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

Overall Remuneration:

The Board of Directors (on the recommendations of the Remuneration Committee) is authorized to revise, amend, alter and vary the terms and conditions relating to the appointment and remuneration payable to Mr. Madhur Daga in such manner as may be permissible in accordance with the provisions of the Companies Act, 1956 and Schedule XIII and any modification(s) thereto and as may be agreed between the Board and Mr. Madhur Daga, without any further reference to the shareholders in general meeting, provided that the total remuneration shall not exceed 5% of the net profit for each of the financial years as computed in the manner provided in Sections 198 and 349 of the Companies Act, 1956.

A copy of resolution dated 14th August, 2012 approving the said increase in remuneration of Mr Madhur Daga passed by the Remuneration Committee and Board of Directors are available for inspection by the members of the Company at Registered office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of the Annual General Meeting except on Saturdays, Sundays and Holidays.

In terms of Section 302 of the Companies Act, 1956, this may be construed as Abstract and Memorandum of Interest.

None of the Directors except Mr. Madhur Daga and Mr. Mahendra K. Daga (who is father of Mr Madhur Daga) are concerned or interested in the resolution.

The Board recommends the passing of the Resolution at Item No. 6 as Special Resolution.

Item No. 7

Mr. K. M. Pai was appointed as an Additional Director by the Board of Directors of the company w.e.f. 02nd April, 2012. Pursuant to provisions of Section 260 of the Companies Act, 1956, Mr. K. M. Pai holds office up to the date of this Annual General Meeting of the Company. In this regard the Company has received request in written candidature, in accordance with the provisions of Section 257 of the Act from a member of the company proposing him as a candidate for the office of Director of the Company, liable to retire by rotation.

Mr. Pai is M.Sc, MBA Finance from IIM, Bangalore, ACMA, ACS with around 40 years of rich experience and proficiency to manage the business affairs of a Company as a whole. He was lastly associated with M/s Bell Ceramics Limited ("BCL") as Managing Director looking after overall working of BCL.

The Board is of the view that the presence of Mr. K. M. Pai on the Board is desirable and would be beneficial to the company and hence recommend the appointment of Mr. K.M. Pai as Director liable to retire by rotation.

None of the Directors, except Mr. K. M. Pai himself is concerned or interested in this resolution.

The Board recommends resolution at Item No. 7 to be passed as an Ordinary Resolution.

Item No. 8

Mr. P. M. Mathai was appointed as an Additional Director by the Board of Directors of the company w.e.f. 23rd April, 2012. Pursuant to provisions of Section 260 of the Companies Act, 1956, Mr. P. M. Mathai holds office up to the date of this Annual General Meeting of the Company. In this regard the Company has received request in written candidature, in accordance with the provisions of Section 257 of the Act from a member of the company proposing him as a candidate for the office of Director of the Company, liable to retire by rotation.

Mr. Mathai is a B.Tech. Chemical Engineering from IIT Kanpur, PGDBM from IIM, Calcutta. He brings more than 3 decades of rich professional experience across several functional areas including but not limited to Sales, Capital Investment Management, Enginnering, HR, Profit Centre Management & leading large teams to successfully complete global scale projects. After starting his career & spending more than a decade with Voltas, Mr. Mathai subsequently spent over 20 years at GlaxoSmithKline & retired as part of their Global Director Grade.

The Board is of the view that the presence of Mr. P. M. Mathai on the Board is desirable and would be beneficial to the company and hence recommend the appointment of Mr. P.M. Mathai as Director liable to retire by rotation.

None of the Directors, except Mr. P. M. Mathai himself is concerned or interested in this resolution.

The Board recommends resolution at Item No. 8 to be passed as ordinary resolution.

By order of the Board
For Orient Bell Limited

Place: New Delhi — Yogesh Mendiratta
Dated: 14th August, 2012 — *Company Secretary & Head- Legal*

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

Name of Director	Mr. R. N. Bansal	Mr. Mahendra K. Daga	Mr. K. M. Pai	Mr. P. M. Mathai
Date of Birth	15.07.1930	27.10.1938	25.08.1952	23.07.1950
Date of Appointment	08.03.1989	09.12.1993	02.04.2012	23.04.2012
No. of Shares held	Nil	28,04,743	Nil	Nil
Expertise in Specific Functional area	Finance and Company Law	Industrial with vast business experience	Industrial with vast business experience	Sales, Capital Investment Management, Engineering, HR, Profit Centre Management
Qualification	M.A., F.C.A, A.C.S., A.C.I.S.	BA, FIM (U.K.)	MBA Finance from IIM, Bangalore, ACMA, ACS	B.Tech. Chemical Engineering from IIT (Kanpur) and PGDBM from IIM (Calcutta).
List of Companies in which outside Directorship held as on 31.03.2012	1. Chambal Fertilizer and Chemicals Ltd. 2. The Hindoostan Spinning & Weaving Mills Ltd. 3. Essar Ports Ltd. 4. Vadinar Oil Terminal Ltd. 5. Essar Shipping Ltd. 6. Essar Oilfield Services India Ltd. 7. Essar Logistics Ltd. 8. Pushpsons Industries Ltd.	1. Freesia Investment & Trading Co. Ltd. 2. Triveni Engineering & Industries Ltd. 3. Good Team Investment & Trading Pvt. Ltd. 4. Indian Council of Ceramic Tiles and Sanitarywares.	–	–
Chairman/Member of the Committee(s) of the Board of Directors of other Companies in which he is a Director a) Audit Committee	Chairman: 1. Essar Ports Ltd. 2. Pushpsons Industries Ltd. Member: 1. Chambal Fertilizers and Chemicals Ltd. 2. The Hindoostan Spinning & Weaving Mills Ltd. 3. Essar Shipping Ltd. 4. Vadinar Oil Terminal Ltd.	–	–	–

b) Investors Grievance Committee	**Chairman:** Chambal Fertilizers and Chemicals Ltd. **Member:** Essar Ports Ltd.	–	–	–
c) Remuneration Committee	**Chairman:** Chambal Fertilizers and Chemicals Ltd.	–	–	–
d) Project Management Committee	**Member:** Chambal Fertilizers and Chemicals Ltd.	–	–	–
e) Compensation Committee	**Member:** 1. Essar Ports Ltd. 2. Essar Shipping Ltd. 3. Chambal Fertilizers and Chemicals Ltd.	**Member:** Triveni Engineering & Industries Ltd.	–	–

ORIENT BELL LIMITED

(Formerly: ORIENT CERAMICS AND INDUSTRIES LIMITED)

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

Corp. Office: Iris House, 16 Business Centre, Nangal Raya, New Delhi-110 046

ATTENDANCE SLIP

DP ID*	
Client ID*	

Folio No.	
No. of Shares	

1. I certify that I am a registered Shareholder/ Proxy for the registered Shareholder of the Company.
2. I hereby record my presence at the 35th Annual General Meeting of the Company being held on Friday, 28th September, 2012 at 11.30 a.m. at 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)

______________________________ ______________________________

Member's / Proxy's Name in BLOCK LETTERS Member's / Proxy's Signature

*Applicable for Investors holding shares in dematerialized form.

Notes

(i) Please fill this attendance slip and hand it over at the entrance of the meeting hall.

(ii) No gifts will be distributed at the meeting.

ORIENT BELL LIMITED

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Corp. Office: Iris House, 16 Business Centre, Nangal Raya, New Delhi-110 046

PROXY FORM

DP ID*	
Client ID*	

Folio No.	
No. of Shares	

I / We ....

of ....

being a member/s of Orient Bell Limited hereby appoint ....

of .... or failing him................................ ....

of ....

as my/our proxy to vote for me/us and on my/our behalf at the 35th Annual General Meeting of the Company being held on Friday, the 28th September, 2012 at 11.30 a.m. at 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.) and at any adjournment thereof.

Signature of Member ____________________________ Signature of Proxy _______________________

Signed this ______________ day of ___________________________ 2012

Affix Revenue Stamp of ₹ 1/-

*Applicable for Investors holding shares in dematerialized form.

Notes

(i) The Proxy Form must be deposited at the Corporate Office of the Company not less than 48 hours before the time for holding the meeting.

(ii) The Proxy need not be a member of the Company.

Corporate Office:
Iris House, 16 Business Centre, Nangal Raya
New Delhi 110046
Tel: +91 11 47119100-200
Visit us at: www.orientbell.com